

REGULAR MEETING OF THE REVENUE ADVISORY COMMITTEE OF THE VILLAGE OF
BALLSTON SPA, NY held on, August 15TH, 2023.

No attendance Recorded.

Meeting Called to order at 6:30pm

Unknown Speaker asked the question – “is it a good thing to fund the Fund Balance with Water Bill money”. As well as stated, that the big issue facing the Water Advisory Committee is the Water Tower.

Alex Funciello referenced using Don Rhodes as a resource and stated that Mr. Rhodes should be available for the next meeting.

Alex Funciello stated: That the Water advisory Committee needs to make sure that there is enough money to fund the Village.

Unknown Speaker stated: That he had a problem with taking all the money from water and funneling it into the General Fund.

Alex Funciello stated: If that's our suggestion to the board, then that the board's going to have to create another committee to come up with how much they have to raise taxes. And from the sounds of it, it was pretty substantial.

Another Speaker stated: “It was a Minimum of 18 percent. Now, if they're going to raise taxes, for just general inflation, you've got to end up with another five percent. So, you can end up minimum raising it up to at least 23 percent. Minimal.”

Several Speakers questioned the recording of minutes.

Unknown speaker stated: "So we're going to take another five percent to add on top of the general funds. And as they take more water revenue, they're going to take another five percent of the water revenue coming in."

Unknown Speaker: "I like the 3x system, I don't have a problem with that. Is the 3x system going to still work or How would you, deal with the three x system? Would you just increase the starting number? "

Alex Funciello stated : "That's why we're all here. basically, in the summary of the previous meeting was an explanation of what a Water District is."

Bob Cavanaugh explained how re-levy's work and that we DO NOT re-levy to Saratoga.

Alex Funciello pointed out that most of the information in the last meeting came from The group Delaware Engineering. Advised that the Mayor advised him that water districts make things easier to expand the Village Water customer base.

Continued speaking by unknown speakers.

Unknown Speaker stated that without districts if there was a water pipe issue it would be taken from the Fund Balance.

Several unknown speakers speaking at once.

Bob Cavanaugh: stated that no one goes into fix those pipes unless its Village DPW.

Alex Funciello stated that that's the purpose for that tax is to fund it so that Village DPW can cover any repairs.

Several Unknown Speakers spoke about how water lines work.

An unknown speaker asked who is handling the water for the island around Rowland Street and Heritage Springs Water system?

Several speakers answered the question.

Several speakers talked at the same time about the Village Water map.

Bob Cavanaugh spoke about having wells in the Village and the lines connecting the two towers. He mentioned the water capabilities in the new development.

Unknown speaker explains how a water district is formed with 50% of the property and 50 percent of the property owners promote a water district. Also, there needs to be a study done once a water district is requested.

Alex Funicello stated that the water districting questions are above the prevue of the Advisory Committee. He stated that the Committee needs to make sure the pricing of Village water is competitive with the other suppliers.

Trustee Kormos stated that the law is that the outside rate is 3x.s but moving forward the rates can change.

Unknown speaker mentioned that the town of Malta and Ballston and mentioned money for the different developments. He mentioned meetings that are supposed to happen every year between the Village and Towns and the developments but those hadn't happened in years. The water map needs to be updated.

Trustee Kormos mentioned something about water districts hindering the Villages ability to get grants for infrastructure money.

Alex Funciello stated that the Committee will include something about rates and forming districts. Also, that Heritage Springs is at their capacity for what they can offer in water.

Unknown speaker asked if the Village needed to dig a new well, what would happen?

Bob Cavanaugh responded that we might need a new well if we get more customers.

Unknown speaker asked if both wells can function at the same time.

Bob Replied that we don't do that.

Unknown speaker asked what needed to be put into the budget in order to cover a new well.

Bob Cavanaugh suggested a study would need to be done to figure out what is needed.

Unknown speaker asked about 500 units?

There was conversation had about units.

Trustee Kormos's reply was inaudible.

Unknown speaker asked about the plans of Town of Milton about the 500 units.

Unknown speaker asked if a Village resident also pays Town taxes.

There was a unified answer of yes.

Unknown speaker asked about another speaker's taxes.

A conversation ensued between multiple speakers about taxes.

Bob Cavanaugh mentioned that the money that comes in from Milton is minimal.

More conversation is had about Village taxes vs. Town taxes.

Conversation ensues between unknown speakers about the cost of water.

Trustee Kormos speaks about her taxes.

Trustee Kormos and several others speak at the same time.

Conversations continue for many minutes on the subject of taxes.

Unknown speaker spoke about the portion of sales tax the Village gets.

Trustee Kormos references all the County Offices that don't pay property taxes in the Village.

Unknown speaker suggested that all residents in the Village only pay a flat fee, not based on usage.

Bob Cavanaugh replies with "Absolutely Not" and further explains why not.

Several speakers speak at the same time.

Alex Funicello stated “ it’s sort of like that now, with using the 30k minimum.”

Several comments are not audible.

Unknown speaker stated that if the Committee uses Trustee Kormos’s numbers then they will be paying a lot more.

Unknown speaker stated that 3x is very objective, but going the other way is very subjective. Stated he doesn’t want the outcome to be a variable.

Trustee Kormos stated that the Village undercharges large users.

Bob Cavanaugh questioned that statement.

Unknown speaker went into what the higher users in Saratoga are paying.

Lots of speakers were speaking at the same time about Saratoga Water.

Alex Funicello explained that as the usage goes up the rate goes up as well.

Trustee Kormos referenced literature supplied to the Committee and defended her stance on changing the Water Billing Schedule.

Unknown user questioned her goal.

Trustee Kormos defended her suggestions.

Several unknown speakers talked about changing the 3x model.

A large conversation ensued about changing the model to coincide with the amount of water used and the rate changing based on the amount of water being used.

Alex Funciello stated that after Don Rhodes completes the report which he “said should be next month, he'll come meet with us, so we'll schedule. I think the next meeting we should schedule based on. Based on his availability for that and he will give us the concrete target of really what? We're what, what the revenue needs to come out to be because we need to be able to fund. “

Unknown speaker asked Trustee Kormos where she got her information from.

Trustee Kormos answered that her information came from many places; DPW and the Water Department.

Bob Cavanaugh was asked if he had input into Trustee Kormos's information. He replied that he supplied Don Rhodes the information he asked for.

Unknown speaker stated that we have surplus money and the Village can't get grants because we have too much money sitting around.

Trustee Kormos agreed.

Bob Cavanaugh agreed that “dragging our feet on this issue has cost the Village a lot of money. “

Unknown speaker asked what the actual cost of supplying water to our customers.

Bob Cavanaugh advised he cannot answer that question.

Unknown speaker suggested that the total cost be passed onto all the water customers.

Alex Funicello stated that the users between 10 and 30 are going to be relatively less than they are now.. The people between 10 and 30 would be paying less.

Bob Cavanaugh replied that “You pay it with a debt and the debt service did not have the multiplier. Everybody that was on the district, on our water district, absorbed a proportional amount of the debt based on their usage. It was a total separate line item, it was not financed by the rates. So that's a fallacy. It was financed by the evaluation of your property, it was not to your usage”.

Unknown user asked what Bob was talking about?

Bob explained how getting a bond to do the work on the Water Tower would play out.

Alex Funicello stated he does not like the way Saratoga does it. And it's a big charge for people with businesses.

Unknown speaker states its important to compare “apples to apples.”

A conversation began about the calculations in the costs going up if Trustee Kormos’s new plan is implemented.

Unknown speaker stated it will hit families hard. “Because I want families in this in this village, we don't want this. This thing is going to kill the families. It's going to help me. It's going to help Liz. It's going to devastate the families and that's what I’m trying to say. I've been saying that from the beginning.”

Trustee Kormos defended her numbers.

Unknown speaker stated that he felt the Village should do something hybrid until the Water Tower is paid off.

Alex Funicello stated "if you take the bond cost and just do flat rate across the board, then the low users are paying the bigger share of the bombshell"

Several conversations take place at the same time.

Unknown speaker stated, "so you need your, your base level needs to go up. I like the point of we need to base everything up to 30 thousand dollars, so we can compare apples to apples. "

A conversation began between several people.

Unknown user asked "how much more do we want"?

A reply was 1 million dollars.

Unknown speaker stated "The years that we made the most money is when Outside the outside water usage was the highest, which makes sense."

Alex Funicello stated "But if you're running as a, if you picture this the village as a water business, then that makes sense because that's the more product we're selling out of the village."

Unknown speaker stated "That's the only thing we have to make revenue."

Unknown speaker stated "it's the second largest revenue source in the Village"

Bob Cavanaugh stated, "The only thing larger is taxes."

Alex Funciello stated, "if we did outside water, solely looking to be competitive and then treat inside water, as where we fund maintenance and built the revenue for the village, we could treat it that way. So basically, the outside rate is where we look at all the neighborhoods and say, okay we're want to be equal with what the heritage is for instance and charge outside that and then inside it would be."

Trustee Kormos stated Angelica used to be a big user.

Bob Cavanaugh stated, "forget angelica". The biggest user we have is Saratoga County that facility up there. It's an outside. Followed by a whole lot of county buildings, It's the jail, it's the schools. Count other county buildings, family, social services. Gordon Creek Milton Terrace complex. The only school that we have in the district that's in is the Malta Avenue School. Everybody else is out. Hoffman is a big user if you look at that. If you take the school taxes to make the difference. So if you pull out we will if you pull out the large, if you pull out the large users most of them outside, then those numbers, the skew on those changes quite. I mean, that is where the revenue comes from but yeah skew on it for the homeowner changes quite a bit."

Trustee Kormos stated that Water is cheap compared to the other utilities.

Bob Cavanaugh stated "yeah, we're cheaper. But look what people pay for that and we could go up. But that's a cost that, you know, is negotiable here."

Trustee Kormos suggested that either She or Alex Funciello run the Heritage Rates.

Unknown user stated, "It's very simple. It's 18 dollars and 72 cents every three months for nine thousand gallons. So, for every six months, it's \$177.44 for 18 thousand".

Several conversations happen at once.

Unknown speaker told the story of Beechnut leaving Canajoharie.

Bob Cavanaugh stated that due to the Angelica building not using all their water, the Village has a large untapped capacity.

Two different conversations are recorded.

Unknown speaker asked " how much above that do We want to increase the rate? 10 percent 20"?

Trustee Kormos stated " as much as it needs to pay for the well. "

Bob Cavanaugh stated " I think almost ten Million for the year. "

Unknown speaker stated "So you're looking at two different things here. What is the Water rate going to be and when and how do we fix the water tower. "

Alex Funicello asked " How fast are we needing to raise those funds? So if it's bonded, then you're you've got for 20 years? "

Unknown speaker stated "When you look at that list, you couldn't reason enough money. If you're going to bond it then you're going to bond it. "

Alex Funicello stated "I don't think trying to raise that dollar value that we're going to just go pay cash for those water tower. I think we have to look at what are the future costs and a bond is going to be considered that like okay we have a 30 year bond that means that All right, we need to have revenues that we're funding to pay that bond for the next 30 years or whatever."

Bob Cavanaugh summed up that there is a difference between getting the revenue and paying the bond with it." But once we start what he's talking about is different Still, we're talking about bonding it and then what you're talking about after that is the way you pay it back, you pay it back"

Unknown speaker stated "You're going to pay that bond in your inner watering and your water costs. It's your water rate and your flat fee waterfall. So, you're going to get a bill and say 100 dollars for water. You're going to get in the same bill and there's another line to go say 20 dollars for the bond"

Alex Funicello stated "It's going to be water usage and it's going to be fundamentally the same as just doing, a rate change"

Unknown speaker stated, "The decision needs to be made when you want to do when you're talking about water which is more equitable. The meter use of the product or the value of your home, we're selling water. Meter, use makes sense to me."

Unknown speaker stated " When you set up a bond, And it costs you to get 240 thousand dollars a year. Get paid for that bond, okay? When you set it up at the assessed valuation of your house, And you set it up. For the specification, you're going to get that 240 thousand. You know, you're going to get it. "

Bob Cavanaugh stated "Take a look at the seven years of information, I gave you and see how much the actual production. It's like, that's the actual probably the actual use of water changes year to year. you're going to be, they're pretty consistent, okay?"

Lots of speakers speaking at once.

Unknown speaker stated " if it's based on water use and we just make sure that we have. If we have a reserve then it would come out of that and we're just up, just the needed rate, the next year to compensate for the law."

Trustee Kormos asked " Bob, do you have what it really costs are on our system?"

Bob Cavanaugh stated "No, because the system that used to work, we no longer had a place here so I can't. Look at it. What it means. The accounting system in this business building is shot. And it just changed it or yeah, it'll change it again. Talk to your treasure and see what kind of information she'd get out of it."

Trustee Kormos stated " Yeah, i know we went with an online system, where we rely on the accounting for" .

Bob Cavanaugh stated " we got a little computer in here so they can dial right in and look at stuff and they can't answer questions. When I went in the back room and looked at them looked at the information, This system works. I told you that before just because I didn't get what I need out of it. So, talking about this, as soon as you start talking about that, then we're talking about millions of dollars. For a software system."

Trustee Kormos stated “Not millions of dollars.”

Bob Cavanaugh stated “ It will be by the time you get done and of course to support it, we're going to do two and a half million dollars worth of drive by meters. How are we going to raise revenue? Well, The amount of revenue you're looking to use is already. Much higher than we're going to raise the rates to So part of it, you have to look at what's the installed base. And how well it's working. Live with some of the warts and like that. If we can keep people more than six months there, there are people who learn but then they leave.”

Alex Funicello Stated “ I think we probably should wrap up but I think we can keep going over but at least let's have a conversation of what we're doing going forward. So I think Don Rhodes. I know that like you said, we're going to have to take what he says with the grain of salt, we don't necessarily have to plan on funding everything, but I think that at least gives us A good idea of what the targets would be having that conversation. Like i said, the on the district and conversation the Um, the engineers at the that are working. With Milton our open to talk. If we want if Does anybody have interest in that being scheduled at some point in the future?”

Unknown speaker stated “They're kind of going to be doing some of the same work we are and but from the point of view of Milton so it may be would give like we get all right to the line. And then possibly, we can talk to them.. So, from your discussion, Heritage Springs is privately held water company. “

Unknown speaker stated “ If you're looking forward, Listed as Heritage spring districts.”

Alex Funciello stated “ Yeah, well, it says So I didn't share this document with you guys, but I can make copies as well. Um, so I didn't share it with you because it's mainly expired. But This is the districts that they're not funded and they're not like They're not managed by the Village or Heritage”

Trustee Kormos suggested she run some different scenarios.

Alex Funciello stated “ they're not municipal they don't have this I think and they just go dig it and fix it and if they got a budget for it it's in there it's in their operating budget although how I don't know. I'd be curious though because that is riskier to the customers so they're don't have like municipal protection whereas if they did have a district”

Several speakers spoke at once.

Unknown speaker stated “ That answer is owned by gold houses there, and a town of Milton has not responsible for fixing those. That's why you got to have the water district, especially from the ones that are growing water from the village, so they can have a pool of money”

Alex Funciello showed the group a map. “ I think if we want the next meeting to be with Don Rhodes, I think that it should be something that we schedule in a few weeks from now. If that's what our next meeting is going to be. Well so I'll shoot he said he said within a month so I think if we can, if we can get him. But I'll check in with him like as that approaches and if he isn't going to be available for another couple months, I'll schedule something. “

Several people spoke at once.

Alex Funicello “ Well we can go ahead and officially end the meeting I guess. Uh so 7:46pm you guys are welcome to keep talking but I think we'll officially end it. If anybody has reason to meet at a particular time ahead of them, let me know. And well we'll certainly schedule something.

Respectfully Submitted

Jennifer Moskowitz
Village Administrator