

A public hearing was held by the Town Board of the Town of Ballston on Thursday evening, May 8, 2014 at the Town Hall on Charlton Road, Ballston Spa.

PRESENT:	Patrick Ziegler	-----	Supervisor
	Timothy Szczepaniak	-----	Councilman
	William Goslin	-----	Councilman
	Kelly Stewart	-----	Councilwoman
	John Antoski	-----	Councilman
	Carol Shemo	-----	Clerk
	James Walsh	-----	Counsel

Supervisor Ziegler opened the public hearing at 7:08 p.m.

The Town Clerk read the following legal ad for the public hearing.

Notice of Public Hearing Relating to Proposed changes to Water Rates in
the Town of Ballston

TOWN OF BALLSTON
NOTICE OF PUBLIC HEARING

PLEASE TAKE NOTICE that a public hearing will be held by the Town Board of the Town of Ballston on May 8, 2014 at 7:00 pm at Town Hall, 323 Charlton Road, Ballston Spa, New York regarding the adoption of proposed changes to the Water Rates for the Town of Ballston. The changes affect the rates charged by the Town representing an increase of \$ 0.75 / 1,000 gallons of water in district and \$1.50 / 1,000 gallons of water for out of district usage. Additionally, an increase in the amount of \$400 for new service connection fee will be assessed.

The new proposed water rates are for:

Water District #2; Jenkins Road, West; Jenkins Road, East - \$4.05 / 1,000 gallons of water.

Water District #5; Water District #6 - \$3.50 / 1,000 gallons of water.

Outside water usage rates \$9.75 / 1,000 gallons of water.

New Service Connection fee: \$1,500 for new service within the water districts.

PLEASE TAKE FURTHER NOTICE that the environmental significance of said proposed shall be reviewed by the Town Board, as Commissioners of the Water Districts of the Town of Ballston incident to and as a part of said public hearing.

Copies of said proposed amendments to the water rates are available for review at the Town Clerk's Office, located at 323 Charlton Road during regular business hours and on the Town web site, www.townofballstonny.org

By order of the Town Board of the Town of Ballston, dated April 8th, 2014.

Carol Shemo,
Town of Ballston Town Clerk
P.O. Box 67, Burnt Hills, NY 12027

Supervisor Ziegler thanked the residents for attending this meeting since this is an important issue for everyone in the Town. This is not only an issue on Town water but also on Town finances. The problem was outlined in the NYS Comptroller's Report when they conducted an audit of the Water Fund Financial Operations in 2010. The Town was not maintaining our records properly, which masked our financial problems. In addition, the water rates have not been increased in 12 years but the cost of providing water has increased. All the hookup fees the Town received should have been placed in a capital projects fund. This account would pay for such items as the painting of the water tower and additional cost of replacing old pipes. Instead, these hookup fees went into the general water fund. The Supervisor emphasized he is not placing blame on anyone; it is a statement of facts that need to be addressed. The Town answered the Comptroller's report with their Corrective Action Plan (CAP) to correct the financial problem. Supervisor Ziegler explained through use of graphics, that the hookup fees plus Town water revenue showed a deficit of \$40,000 when the Town revenues alone were in deficit of \$250,000. The Town took \$346,000 out of the 2012 General Fund and added it to the Water Fund to

help address the shortfall. The NYS Comptroller's Office recommended the Town to either reduce costs or raise rates to eliminate the Water Fund Balance deficit. The cost of providing water has increased so the town was not able to reduce the cost.

Councilman Goslin and Highway Superintendent Whalen formed a water committee to address this situation. The Water Committee estimated the cost of water to be \$330,000 on an annual basis. Unaudited figures show water revenue of \$500,000. The costs to provide water are as follows: personnel cost is \$125,000 with benefits additional \$30,000, Glenville advalorem \$127,000, power and utilities fees \$150,000, line breaks \$50,000, leaks and associated water loss \$100,000 - \$300,000 and the additional cost of chlorine and pipe. Councilman Goslin stated that the Town has a strong record of no Town tax and highway tax because the sales tax revenue and the mortgage tax revenue keep up with inflation. Water users have to pay for water; it is a state law. The Board needs to plan ahead for the future when the water tower will need repainting. We have to address this situation before it is an emergency.

Water Superintendent Whalen reported that the 12 years ago there were 1,100 water customers and now there are 2500. The doubling in size has increased the man hours worked, testing and expenses. We need to upgrade the infrastructure and put the water connection fees in reserve fund to save for future projects. Providing water is not a profit making business.

The Supervisor opened the public hearing to comments from the floor.

Mr. Wyman asked how the rate is calculated. Will this increase take care of what has happen with our water finances? How long before we are out of debt? What about the future, will the rates go back down or will the rates increase again? Should the Town engage a consultant?

Supervisor Ziegler answered we are looking for a long term solution. The report by the Office of the State Comptroller recommended that we 1) look at each district and the available fund balance and 2) periodic monitoring of the fund balance on an annual basis to evaluate where we are.

Councilman Goslin said we are looking toward water consolidation to deal with the issue of inequality within our water districts and their extensions. There will be a 5 -10 year plan to make our water districts sustainable. It is the Board's best estimate that we should be on sound financial footing in 1 -2 years. CT Male, the Town's engineer, will provide professional services and develop the water consolidation report. It is important to our children's future that we pay for water project as we go rather than incur long term debt.

Mr. Lonergan said the Town should publish the audit schedule and the annual audit should be put on the website. Information concerning changes to the water rates should also be put on the website, insufficient information was given on the postcards.

Mr. Wheeler said the Town should think about more frequent audits; have audits twice a year. Why was the water revenue overstated?

Supervisor Ziegler said there was no fraudulent activity. We are auditing the books for 2012 and 2013 then we will have a better sense of where we are and can make changes.

No one else wished to speak. The public hearing was closed at 8:18 p.m.

Respectfully submitted,

Town Clerk