

**VILLAGE OF PERRY**  
**VILLAGE BOARD MEETING MINUTES**  
**JULY 31, 2023**

A Special Board Meeting of the Village of Perry was held at the Village Hall, 46 North Main Street, Perry, New York at 5:30 pm on the 31<sup>st</sup> day of July 2023.

PRESENT:	Rick Hauser	Mayor
	Jacque Billings	Trustee
	Arlene Lapiana	Trustee
ALSO PRESENT:	Samantha Marcy	Administrator
	Christina Slusser	Village Clerk
GUESTS:	Jason Schwartz	BPD, via Zoom
ABSENT:	Dariel Draper	Trustee
	Ernie Lawrence	Trustee

Mayor Hauser called the meeting to order at 5:30 pm and led in the Pledge of Allegiance.

**2023 WATER RATE STUDY – WATER TREATMENT PLANT PROJECT**

A 2023 Water Rate Study Draft dated 7/24/2023 was prepared by Bernard P. Donegan, Inc. Jason Schwartz of Bernard P. Donegan, Inc. (BPD) was present via zoom to present the study for the proposed water treatment plant upgrades. The Village was awarded a \$3,000,000 WIIA grant and a \$2,000,000 BIL grant to assist with the upgrades. The study is based on the scenario of a \$7,200,000 project budget and addresses three options on how to cover the debt service by raising water rates. If the Village ends up spending \$7.2 million, \$2.2 million will be left to finance at 0% interest due to qualifying for hardship financing. The high level executive summary looks at the rate structure and how proposed rate increases will affect the fund balance over the years.

**Scenario 1** steps into full impact of the project in year one by implementing the full rate increase needed to cover the anticipated debt service.

Village user base rate increase per quarter: \$4.08

Village user rate increase per 1,000 gallons: \$0.50

Increases are proportionate over all users.

Revenues increase from \$783,000 to \$877,000.

**Scenario 2** is similar but offers two steps, with a 50% increase in year one and another 50% increase in year two.

Village user base rate increase per quarter Year 1: \$2.04; Year 2: \$2.16

Village user rate increase per 1,000 gallons Year 1: \$0.25; Year 2: \$0.26

Increases are proportionate over all users.

Revenues increase from \$783,000 to \$830,000 to \$880,000.

**Scenario 3** considers spending down the fund balance with a purposeful plan to help keep rate increases lower initially. The most recent audited financials from 5/31/2022 showed the unappropriated fund balance at \$648,777 which is about 83% of the annual operating budget. The minimum recommended is about two months of the operating budget. By this rule, the Village would need to keep \$130,000 in fund balance. A more conservative approach would be to keep about 50%. This would be achieved in scenario 3 with a plan to reevaluate in 2028.

Village user base rate increase per quarter: \$3.00

Village user rate increase per 1,000 gallons: \$0.25

Increases are proportionate over all users.

Revenues increase from \$783,000 to \$838,000.

All the scenarios use the projected revenues of average water used over the last 5 years. There was not a big change in usage over this 5 year trend.

Options were presented for annual debt service requirements for outstanding bonds for each scenario. In scenario 1, debt service payments would start in 2025 at about \$75,000 per year through 2053 with zero interest. In scenario 2 with a stepped approach, the first principal payment would be \$37,000 then jump to \$77,000, not a dramatic change from scenario 1, and also no interest. Scenario 3 was presented with the same debt requirements as scenario 1 but would have a needed rate increase in 2028 with hopes that inflation would get back under control by then. Additional pages of the rate study lay out the projected debt including the current debt service payments expected to be paid in full in 2034.

Consideration was given to paying off the current debt of about \$345,000 with the current unallocated fund balance to take advantage of some interest savings. The fund balance would go down to \$258,000. Jason Schwartz informed that this current bond is not callable until July of 2026, but could still be an option to lessen the impact on consumers. It may be possible to look at deferring some of the project, but it is unsure if the Village would be able to take advantage of zero percent interest in the future. The Board is interested to know how the Village of Perry rates compare to neighboring communities. Data has been gathered on this and can be shared. It was noted that BPD considered the pros and cons to increasing base rates vs. consumption rates. Base rates protect more from weather or usage patterns. The projected

revenues include multi-unit increases which went into effect June 1<sup>st</sup>, increasing the number of users from 1451 to 1696.

Administrator Marcy explained that the next decision will be providing a scope so the engineering firm to be hired will know what they need to develop a plan for. A \$7 million project with bid alternates is suggested, assuming bids will come in high. In the event the project goes over the \$7 million budget, it would be called a cost overrun where the Village would not get extra grant money but could be given extra hardship financing.

At 6:28 pm, Mayor Hauser made a motion to adjourn which was seconded by Trustee Lapiana and carried.

Respectfully submitted,  
Christina Slusser, Village Clerk