

Camden Town Council

Public Hearing on Water and Wastewater Rate Adjustments

May 31, 2011

The properly called and advertised public hearing of the Camden Town Council on the proposed rate adjustments for the water and wastewater rates was called to order at 7:05pm by President Peter Wagoner. Present were Member Richard Fite, Clerk-Treasurer Pat Casserly, five guests. Member Andy Kelly was absent. Attendees were asked to complete the sign-in sheet provided.

Mr. Wagoner opened the public hearing stating the purpose was to consider water (Ordinance 2011-1) and wastewater (Ordinance 2011-2) ordinances which will increase the rates in both utilities. The proposed rates and options prepared by O.W. Krohn, CPA, have been reviewed at the last two regular council meetings. The trash service fees, discussed at the last Council Meeting, will remain the same in 2011 through contract renewal date in 2012. The contract allowed for a yearly rate increase as the trash service fees increased but due to a balance in the fund, the rates will not be adjusted to reflect the contract cost.

Realizing a change was needed in the utility rates, the CPA firm was hired to do rate studies for both utilities analyzing the revenue, expenses, and debt service. The water rates have not been adjusted for eleven years and the revenue is not covering the expenses. Three rate options for each utility were presented for consideration. The second tier of rates was recommended by the CPA firm but the Council decided to work with the most conservative rate increase for water and wastewater.

Several factors played into the need to increase the rates. The elementary school was downsized to an early childhood center resulting in fewer students and no summer remediation. The school was one of the bigger water customers and revenue was lost due to the change. The negative affect of the housing market also results in lower revenue. More empty homes means less revenue. The houses need filled to help offset fixed costs which are increasing. The utilities have the same testing requirements and cost as larger communities.

Wastewater rates were adjusted three years ago but the cost there have increased due to the mandated unfunded improvements to the treatment facility. The grant covered most of the construction and soft cost but the routine operating expenses have increased.

The hydrant rental fee was covered by property tax revenue. The negative property tax caps - the town will loose a little over \$21,000 because of the caps- means some cost will need to become user fees. The tax rates can not be increased to make up the loss so changes are required in what will be paid with the tax revenue.

The Town is cutting expenses where it can and is trying to retain important services. There have been not wage increases for the past three years. The Christmas decoration contract was not renewed; animal control is not being considered by any of the local government entities; the fire department is not charged for fire protection water; all expenses are being closely monitored. Services the town will continue for as long as possible include leaf pickup in the fall, snow plowing and salting the streets, street lights, spraying for mosquitoes and maintaining the street. These are expensive services but they are important to the community.

The citizens attending the public hearing were given the opportunity to ask questions and express their concerns on the proposed rates and the new hydrant rental fee. The citizens did not welcome the changes but had a better understanding of why they are needed following the in-depth discussion.

By motions from Mr. Fite, seconded by Mr. Wagoner, **Ordinance 2011-1, An Ordinance Establishing Rates Charges for the Use and Services Rendered by the Waterworks of the Town of Camden** and **Ordinance 2011-2 An Ordinance Amending Rates and Charges for the Use and Services Rendered by the Town of Camden Sewage Works Utility** were adopted.

Meeting adjourned at 8:00.

Camden Town Council

Peter F. Wagoner, President

Richard Fite, Vice-President

ATTEST:

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Andrew Kelly, Member

P.A. Casserly
Clerk-Treasurer