

SUMMARY FINDINGS of the AD HOC SEWER FEE COMMITTEE , established by the Village of Brockport, Board of Trustees.

Committee members Harry Donahue, DPW Department Head; Harley “Skip” Perry, former Trustee and member ,Brockport Board of Water Commissioners; and Carol Hannan, Trustee; report the following:

- The sanitary sewer system is over 100 years old and in need of repair.
- Approximately 300 manholes are aged, need inspection, repair or replacement.
- Funding through property taxes places the entire financial burden on approximately one third of the system users.
- There is no relationship between property assessments and water usage. This leads to inequities. Some residents subsidize others and all residents who pay property taxes subsidize tax exempt entities.
- Paying for sanitary sewers with fees means that everybody pays only their share of the costs and everyone who uses the system helps maintain it.
- Fairness and water conservation are the two main reasons for funding with fees.
- We are surrounded by municipalities that fund their systems through fees.
- We must repay the debt for the mandated Main Street reconstruction, 60% of which is for sewer repairs.
- Planning for the future is a necessity, not a choice.

RECOMMENDATIONS:

- Establish a sewer rental fee;
- Create reserve funds for capital improvements and equipment;
- Fund the one-time bond administration fee and yearly operational expenses through rental fees; and
- Follow a timeline and plan for immediate and long-term system improvements.

FINANCIAL ANALYSIS SUMMARY (based on information available to date):

Assuming billable water subjected to a sewer fee at 173 million gallons, with the money needed to be raised totaling approximately \$179,400, a sewer rate of \$1.05/thousand gallons would be sufficient to meet expenses. $(\$179,400/173,000,000) \times 1000 = \1.037 /thousand gallons of water. The figure of 173 million gallons of water excludes college and public schools outside of the village.

A suggested fund distribution:

Debt service	\$115,000
Reserve	15,000 (repairs/construction)
Maintenance	15,000 (yearly operating expenses)
Equipment	20,000
Bond admin. fee	14,400 (one time only)

Total	\$179,400

EXAMPLE COMPARISON of a moderate water user:

Single family home, 4 residents, with water usage of 48,500 gallons per year and a property assessment of approximately \$100,000.

Cost with sewer rate: @ \$50/year Cost with property tax funding: @ \$100/year

EXAMPLE COMPARISON of a low water user:

Single family home, 2 residents, with water usage of 16,300 gallons per year and a property assessment of approximately \$100,000.

Cost with sewer rate: @ \$17/year Cost with property tax funding: @ \$100/year

QUESTIONS/ANSWERS

1. Isn't a sewer rental fee really just another tax?
No. By law, tax exempt entities can't be taxed. They are, however, subject to user fees.
2. If this fee is such a great idea, why was it rescinded?
One reason given was a petition signed by 71 people. That's 0.9% of our 8,000 residents.
3. Will a sewer rental fee decrease my property taxes?
Many factors affect budgets. We can't make a blanket prediction or guarantees based on only one budget item.
4. Is it true that I won't be able to deduct this fee from my income tax?
That's correct. If you take a standard deduction, this change obviously won't affect your income tax. Any impact depends on your individual situation.
5. If the village were to dissolve in the future, wouldn't all these expenses be paid for by the Town of Sweden?
No. A sewer district would be created and the costs would be added to your taxes.
6. Isn't this whole idea just a "shell game" intended to raise our taxes?
These recommendations are based on facts, not deception. Remember, the most frequent reason given for implementing sewer user fees is "fairness."
7. Why should we put money in reserves?
In the April 2010 Comptroller's Report, the Board of Trustees was cautioned to fund "adequate resources ... to handle any unforeseen events." The committee is following those recommendations.