

## **Charter Township of Canton Board Proceedings-March 17, 2009**

A regular study meeting of the Board of Trustees of the Charter Township of Canton held Tuesday, March 17, 2009 at 1150 Canton Center S., Canton, Michigan. Supervisor LaJoy called the meeting to order at 7:00 p.m. and led the pledge of allegiance. **Roll Call** Members Present: Anthony, Bennett, Caccamo, LaJoy, McLaughlin, Taj, Williams Staff Present: Director Eva, Director Faas, Director Conklin, Tom Casari, Nick Ferri, Brad Lear **Adoption of Agenda** Motion by Bennett, seconded by McLaughlin to approve the agenda. Motion carried unanimously. **STUDY SESSION TOPIC Item 1. 2009 UPDATE OF WATER & SEWER RATE STUDY.** Municipal Services Director Tim Faas together with Budget and Finance Director Rick Eva presented Canton's Board of Trustees with a recommendation to increase Canton's water and sewer rates to reflect the true cost of treatment and delivery of drinking water and wastewater services. According to Faas and Eva, the increase is needed to keep water and sewer rates in line with the service costs for operating, maintaining, and rehabilitating the system. Under the 2009 recommendation, fixed charges will not increase for most customers; however, the variable charges would be increased by 16.9%. Eva also presented the Board with two alternatives which would lower the variable charges increase, but would use money from the water and sewer cash reserve. As of December 31, 2008, the current cash reserve is approximately \$11.4 million. It has been set aside to cover unexpected expenses and future replacements cost of the aging system. In 2007, Utility Financial Solutions recommended that Canton have a minimum cash balance of \$11.8 million dollars. Back in 2005, the Board adopted a true cost-of-service study for water and sewer rates prepared by Utility Financial Solutions (UFS). Following the consultant's recommendation, Canton staff now updates the analysis each year and recommends rate increases for water and sewer costs in order to adequately fund the operation of the utilities. The study was done in order to align the revenue requirements with the cost of operation, maintenance and rehabilitation of the water and sewer system to ensure sustainability of the fund. These charges also cover the outside costs that are passed onto Canton from other service providers (i.e. DWSD, Wayne County, WTUA and YCUA). Money generated from rates is restricted for use in operating and maintaining the system. By way of example, Canton does NOT use money raised through property taxes to subsidize the water and sewer rates. The final recommendation will go before the Board for adoption on Tuesday, March 24. **Adjourn** Motion by Bennett, supported by McLaughlin at 9:56 p.m. to adjourn. Motion carried unanimously. - Philip LaJoy, Supervisor - Terry G. Bennett, Clerk -

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Copies of the complete text of the Board Minutes are available at the office of the Charter Township of Canton, 1150 S. Canton Center Rd, Canton, MI 48188, during regular business hours and can also be accessed through our web site [www.canton-mi.org](http://www.canton-mi.org) after Board Approval.