

Charter Township of Canton Board Proceedings-March 19, 2013

6:30 P.M. – CLOSED SESSION TO DISCUSS ATTORNEY OPINION Motion by McLaughlin, supported by Sneiderman to move from open session to closed session at 6:30 p.m. to discuss attorney opinion. Motion carried by all members present. **Roll Call** Members Present: Bennett, LaJoy, McLaughlin, Sneiderman, Williams Members Absent: Anthony, Yack Staff Present: Director Trumbull, Gwyn Belcher, Kristin Kolb Motion by Bennett, supported by Williams to move from closed session to open session at 6:59 p.m. Motion carried by all members present. A regular study meeting of the Board of Trustees of the Charter Township of Canton held Tuesday, March 19, 2013 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: Bennett, LaJoy, McLaughlin, Sneiderman, Williams Members Absent: Anthony, Yack Staff Present: Director Trumbull, Director Faas, Bob Belair **Adoption of Agenda** Motion by Bennett, seconded by McLaughlin to approve the agenda as presented. Motion carried by all members present. **STUDY SESSION TOPIC Item 1. 2013 Water & Sewer Rates** The Board was provided with the proposed 2013 Water and Sewer Rates. The discussion included the assumptions and inputs that factor into setting the rates each year. Several scenarios that utilize varying amounts of cash reserve and their impacts on the rates were discussed. A summary of the input received at the public forum on the rates were provided to the Board members. Director Faas stated the annual rate making process is a joint effort between the Finance and Budget Department and Municipal Services Department to determine both the fixed and variable components of the rate each year. There are many steps to the process of setting the rate. The presentation overviewed how the 2013 rates were calculated. Bob Belair stated there are 31 steps to develop water rates. The process begins in January. Mr. Belair stated the consumption trends in the region have decreased with the DWSD System. However in Canton there is a slight trend upwards. That trend will increase as Canton builds more homes and brings in more businesses to the community. Mr. Belair stated there are 427 miles of water main that Canton maintains. Along with 6,000 hydrants, 3,900 valves and 5 meter pits that feed the Township. The meter pits are located around the perimeter of Canton. The sanitary sewer collection system is 338 miles. There are 5,200 manholes, 6 pumping stations and the WTUA System. Canton does maintain all these systems with the Water and Sewer Department staff of 25 employees. Mr. Belair stated to determine the fixed rate cost; staff examines the minimal operation, management and administration. There is a similar situation for sewer. The largest expense is sewage treatment, sewer debt service, operation, management, water billing, and sewage transportation. The budget for the water and sewer department is 60% sewer and 40% water. Once the fixed costs are determined they are given to Finance. Once Finance puts those numbers into the budget they begin to create the consumption rates. Director Trumbull stated if the Storm Water remains in the General Fund a cash balance of \$1,610,432 will be used to maintain a 0% increase in water rates. If there is a transfer of the Storm Water into the Water & Sewer Fund a cash balance of \$2,150,085 will be used to maintain a 0% increase in water rates. **Adjourn** Motion by Bennett, supported by Williams at 8:01 p.m. to adjourn. Motion carried by all members present. – Philip LaJoy, Supervisor – Terry G. Bennett, Clerk –

Copies of the complete text of the Board Minutes are available at the Clerk's 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 after Board Approval. Publish: March 28, 2013

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