

Suffolk County Water Authority

FINANCE COMMITTEE

DATE: February 27, 2017

LOCATION: Administration Building, Oakdale, New York

ATTENDEES: James Gaughran, Chairman
Patrick Halpin, Member
Jane Devine, Member
Timothy J. Hopkins, Counsel
Douglas Celiberti, Chief Financial Officer
Elizabeth Vassallo, Director of Finance
Donna Malone, Accounting Manager
Michael Litka, Director of Information Technology
Donna Mancuso, Chief Human Resources Officer
Alicia Simson, Internal Audit Manager
Joseph Pokorny, Deputy CEO of Operations
Maria Trupia, Executive Assistant/Secretary to the Board

EXCUSED

ABSENCE: Jeffrey W. Szabo, Chief Executive Officer

The meeting was called to order by James Gaughran at 4:15 p.m. upon all Members of the Committee being present.

The Members reviewed the minutes of the last Finance Committee meeting, held on September 26, 2016.

On motion made by Mr. Halpin, duly seconded by Mrs. Devine, it was unanimously carried to:

Approve the minutes of the Finance Committee meeting held on September 26, 2016.

Mr. Gaughran introduced Douglas Celiberti, Chief Financial Officer, who reviewed the Supplemental Schedule to the Rate Study update. Mr. Celiberti discussed the different scenarios using a 7% increase and a 6.1% increase. He then reviewed this using a 5%, 4%, 3% and 2% with the deficits that will face the Authority if these percentages were chosen. Insufficient revenues will lead to a credit rating decline and the consequences would be \$100,000 more in interest charged to the Authority annually.

As per Mr. Halpin's request, Mr. Celiberti discussed a tiered rate and explained the different scenarios for each.

Mr. Gaughran asked if anyone had comments – each Member explained their proposals. Mr. Mattera stated that he wants to be certain that the Authority will have enough funds for infrastructure, which is very important for the Authority's future. Mrs. Devine asked how the Authority compares to other water companies. Mr. Celiberti stated the Authority has the lowest rates compared to other water companies. Mr. Halpin stated that the Authority's water bill for a condo complex is not a significant charge overall. Mr. Gaughran stated, if possible, that the charges should be apportioned to customers who use an exorbitant amount of water and are taxing the Authority's system.

The Members further discussed other revenue that would help subsidize the rates, one being a hiring freeze for the fiscal year beginning April 1, 2017. Mrs. Devine suggested a 10% reduction in the operating budget, without lay-offs, by each department, to be brought before the Board, in writing, at its March 27, 2017 meeting.

Mr. Gaughran recommended that this Committee does not make any specific recommendation to the Board for the adoption of rates until after the Hearing is held at 5:30 p.m.

On motion made by Mr. Halpin, duly seconded by Mrs. Devine, it was unanimously carried to adjourn the meeting of the Finance Committee.

Respectfully submitted by:
Maria Trupia, Executive Assistant/Secretary to the Board

Reviewed by: Douglas Celiberti, Chief Financial Officer