

Suffolk County Water Authority

FINANCE COMMITTEE

DATE: March 27, 2017

LOCATION: Administration Building, Oakdale, New York

ATTENDEES: James Gaughran, Chairman

Jane Devine, Member  
Jeffrey W. Szabo, Chief Executive Officer  
Timothy J. Hopkins, Counsel  
Donna Mancuso, Chief Human Resources Officer  
Janice Tinsley, Deputy CEO of Customer Service  
Elizabeth Vassallo, Director of Finance  
Donna Malone, Accounting Manager  
Maria Trupia, Executive Assistant/Secretary to the Board

EXCUSED

ABSENCE: Patrick Halpin, Member  
Douglas Celiberti, Chief Financial Officer

---

The meeting was called to order by James Gaughran at 4:05 p.m. upon the Members of the Committee being present with one absence by Mr. Halpin.

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

**Approve the minutes of the Finance Committee meeting held on February 27, 2017.**

Ms. Vassallo distributed the Authority's Budgets for the Fiscal Year Ending May 31, 2018.

Mr. Gaughran suggested that the full Board accept the budget "as is" and then schedule a workshop meeting of the Board to review proposed budget cuts and/or other areas of savings. The budget can be amended once a month thereafter.

Mr. Szabo stated that this is a lean budget, but the Authority is at the forefront of treatment costs and has been a leader in projects such as the Advanced Oxidation Process, 1,4 Dioxane and the Authority is connecting individuals in Westhampton

Beach and Yaphank who have been impacted with PFOS. The Authority is also attempting to engage the public by inviting them in for an event being planned at the Education Center for Water Week in May. It also describes capital improvements being made, such as the ground reservoir storage tank being constructed at the Authority's Laurel Lake property. Mr. Szabo stated that although the Budgets are lean, the Authority is staying true to its mission.

Ms. Vassallo then reviewed the Authority's 2018 Operating and Maintenance Budget, starting with Mr. Celiberti's memo outlining revenues, operating and maintenance expenses, debt service and capital from start to finish – everything that has been worked on continuously over time, as well as the past 4 months. The rate increase of 4% has been incorporated in this Budget. Ms. Vassallo also discussed the revenues that will be used for future rate stabilization.

Ms. Vassallo discussed the OPEB obligation which will be \$17.1 million dollars next year, which the Authority has been expensing for each year. At this point, the Authority will have to absorb approximately \$7.1 million dollars next year for this obligation.

Ms. Vassallo then discussed payroll, which only reflects operation payroll. All payroll is being split (80/20) between Capital and Operations. Operations are getting the 80%. This does not include any decisions being made, such as a hiring freeze.

Ms. Vassallo reviewed employee benefits, of which medical is constantly increasing, power, administrative operations and maintenance, system operations and maintenance, treatment, fleet services and debt service.

Next, Ms. Vassallo reviewed the capital budget, which includes water main installations, point of service distribution, treatment facilities, other equipment, improvements in technology and additional facilities. Also, each Department was asked to list their budget priorities for the future.

Mr. Celiberti meets with each department to review these requests, and he will cut whatever is necessary if he feels it may put too much pressure on the Authority's rates or its debt service requirement. Ms. Vassallo stated that approximately \$4 to \$5 Million Dollars was cut before it was brought before the Committee at today's meeting.

On motion made by Mr. Gaughran, duly seconded by Mrs. Devine, it was unanimously carried to recommend the Operating Budget and Capital Budget to the full Board for adoption.

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

Respectfully submitted by:

Maria Trupia

Executive Assistant/Secretary to the Board

Reviewed by:

Elizabeth Vassallo, Director of Finance