

Memo To: Town Board  
Town Attorney

From: Roger A. Cleveland, Superintendent of Highways

Re: Old Paris Rd. Sewer Extension

Date: 11SEPT08

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It was requested at the July Town Board meeting that this office provide an analysis showing the delta between the special district charges for public sewer currently being assessed against the properties in the Consolidated Sewer district, and what those charges would be if the debt service for the sewer Improvement on Old Paris Rd. were to be distributed across an expanded, Consolidated district.

Using the 2008 adopted Sewer Budget for comparison purposes:

At the time the budget was prepared, there were 6,367 parcels subject to special district charges for sewer

The assessed value of those 6,367 parcels was \$1,163,475,803

Sewer district charges are computed two ways, first by a unit charge @ \$20 per parcel, and second by an ad velorum that makes up the difference between what is collected through the unit charge and the adopted budget figure.

**Existing Special District Charges to Properties in the Consolidated Sewer District**

Sewer operating budget =	\$621,366**
Unit charge raises: 6,376 parcels x \$20/ parcel =	<u>\$127,360</u> **
To be raised by ad velorum =	\$494,006**
Ad velorum tax per thousand of assessed value =	$\frac{\$494,006}{\$1,163,475.803} = \$0.425/ \$1,000$ **

For a home assessed at \$100,000, the sewer charge is:  $\$20 + (100 \times \$0.425) = \$ 62.50$

For a home assessed at \$200,000, the sewer charge is:  $\$20 + (200 \times \$0.425) = \$105.00$

For a home assessed at \$300,000, the sewer charge is:  $\$20 = (300 \times \$0.425) = \$147.50$

**Special District Charges with Improvement area added, and expanded district services avg. debt**

Assume 2008 budget of \$621,366 plus Avg. P + I payment of \$11,780 = \$633,146

Unit charge raises:  $6,376 \times \$20/\text{parcel} + \text{new of } 6 \text{ units}^* \times \$20/\text{parcel} =$  \$127,640

To be raised by ad velourm = \$505,506

Ad velorum tax per thousand of assessed value, \$505,506 =  $\$0.4341/\$1,000$   
new total =  $\$1,163,475,803 + 891,700 = \$1,164,465,503$  \$1,164,367.503

For a home assessed at \$100,000, the sewer charge is:  $\$20 + (100 \times \$0.4341) = \$63.41$

For a home assessed at \$200,000, the sewer charge is:  $\$20 + (200 \times \$0.4341) = \$106.83$

For a home assessed at \$300,000, the sewer charge is:  $\$20 + (300 \times \$0.4341) = \$150.24$

Therefore, **delta between old and expanded district:**

For a home assessed at \$100,000: an increase of \$0.91

For a home assessed at \$200,000: an increase of \$1.83

For a home assessed at \$300,000: an increase of \$2.74

**If the Improvement area had to service the entire debt:**

Debt alone using Avg. P + I = \$9,746, and using a unit charge, where  
1 SFR = 1 unit, and a vacant parcel = .5 units

\$11,780 = \$1,963  
6 units

If all properties had a SFR, then

\$15,647 = \$1,473  
8 units

\* Four properties have 1 Single Family Residences, and four are vacant. One (1) Unit for each SFR, and 1/2 Unit for each vacant parcel = 6 Units

\*\* Verified with Town Bookkeeper on 23JUL08

The methodology as well as the base figures was reviewed with the Bookkeeper on 23JUL08. Obviously the amount to be raised on an annual basis for the sanitary sewer budget and project cost and debt service will vary with time, so none of the above figures are absolute.

The above shows that to service the debt by the improvement alone is astronomical. It also shows that the increase to the properties in the consolidated district is minimal, and the process is in keeping with the discussions had when the Consolidated Sewer District was formed. I would, therefore, request the Board to consider the protocol of adsorbing the improvement area into the consolidated district and moving forward with the process. I have forwarded to the Town Attorney, information from the Association of Towns regarding any needed public hearings on this process.

However, having said this, and as discussed at the 10SEPT08 Town Board meeting, there are also other districts, such as lighting and water that we probably should look at in terms of consolidation for bookkeeping purposes, but also for extensions and expansions for improving the both the quality of life and the betterment of the Town, as a whole. Don't we all benefit from installed streetlights? And don't we improve the Town as a whole when more properties are connected to public sewer and water? From the brief discussion at last night's Board meeting regarding the extension of public sewer on Old Paris Rd., I certainly sense that the Board would like to explore the issue of consolidating all or some special districts, and not implementing a change in protocol prior to the larger look, an approach that I certainly can agree with.

Thank you for your attention to this matter. If there are any questions please do not hesitate to contact me.