

JANUARY 27, 2012

Minutes of the special meeting of the Municipal Services Commission held January 27, 2012 at the office of the Commission, 216 Chestnut Street. The meeting was called to order at 4:00 P.M. with Robert S. Appleby, President, Commissioner, presiding.

Attendance Report:

Present:

Robert S. Appleby, President, Commissioner
Daniel F. Knox, Commissioner
Dr. Roy J. Sippel, Commissioner
Francis L. Patterson, Secretary
Pamela A. Patone, Comptroller

CHANGE FEBRUARY MEETING DATE

Commissioner Knox said he would like to change the next monthly meeting from February 16, 2012 to February 23, 2012. Without objection the Commissioners voted to change the date.

RATE STUDY DISCUSSION

The Commissioners began their discussion of new water and electric rates by reviewing proposed adjustments made by Utility Financial Solutions. Comptroller Patone went over the proposed rates and the effect they would have on a representative sample of customer classes.

The Commissioners, Secretary and Comptroller discussed at length the impact rate changes would have on customers by making rates more accurately reflect the cost of service to each class of customer. They debated making rate changes in one year versus the recommendation of UFS to make changes over four years. They discussed the proposed reserves UFS recommended.

After much discussion the Commissioners asked the Comptroller to go back to UFS and see what the affect a rate design would be if they:

1. Adopt a rate design that would have the MSC implement all the recommended changes in one year and at the end of that one year there would be a \$2.7M combined cash balance as a reserve. The rate design should include a new residential 5/8 x 3/4 public fire charge and no increase in 5/8 x 3/4 customer charge.
2. Adopt a rate design that would have the MSC implement changes over a 4 year period resulting in a \$2.7M combined cash balance, with the new residential 5/8 x 3/4 public fire charge and no increase in 5/8 x 3/4 customer charge.

Being no other business the Commissioners voted to adjourn the meeting.

Approved _____
Date

Francis L. Patterson, IV

