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Milltown adopts water rate hike of 38 percent

BY KATHY CHANG

MILLTOWN — A 38 percent rate increase will be reflected in the next quarterly water and sewer bill for residents and businesses. The bill will be in their mailboxes at the end of this month.

The Borough Council unanimously voted in favor of an ordinance implementing the rate hike at its meeting Monday night.

Residents came to the meeting asking if the increase could at least be postponed to relieve the shock of the hike. However, borough auditor Gerard Stankiewicz said it was necessary to have the increase in place for the upcoming bill.

"We don't want to get caught short in November and have to do an emergency appropriation," he said.

Councilwoman Stacey Waters, chairman of the Finance, Planning and Administration Committee, said last week that the council did not want to see such a steep increase. But with revenue down by approximately \$160,000, and expenses up roughly \$350,000, the balance would have to be made up.

The hike was initially proposed at 45 percent. However, Stankiewicz said that after he and Borough Administrator Denise Biancamano took a harder look at the numbers, they were able to reduce that to 38 percent.

"The basic reason for the shortfall, and the water and sewer hike, is the decrease in consumption of water ... It was a cold summer and consumption decreased by 11 percent since the beginning of April [2009]," Biancamano said.

The 38 percent hike will increase the quarterly water and sewer bill by \$63 on a home assessed at the borough average of \$166,000. The current quarterly bill is \$165 on the average home, Waters said.

Milltown purchases its water and sewer services from New Brunswick.

Waters said the council and the administration would continue to evaluate ways to make up the debt.

"It's hard to find a way to raise revenue with water without raising the rates," she said.

Last year, the borough raised the water and sewer rates by 8 percent to help pay for the \$1.3 million project of relining and implementing new water main lines. When residents asked if New Brunswick raised their rates for water and sewer services, borough officials said the city did not.

Stankiewicz said that if the anticipated deficit of \$442,000, calculated using the last three years of billing cycles, does not come in as high next year, the remaining funds will go into the water and sewer surplus account.

Residents asked if the difference could be applied toward a rate reduction, but Stankiewicz said he could not answer that since he does not know whether the rates would have to increase even more next year or be decreased.