

**TOWN OF KIRKWOOD
PUBLIC HEARING**

November 26, 2019

A public hearing on the 2020 Sewer and Water Districts Budgets was held on November 26, 2019 at 6:00 PM at the Joseph A. Griffin Town Hall with Supervisor Gordon Kniffen presiding.

Present: Supervisor Gordon Kniffen
Councilman Robert Weingartner
Councilman Lewis Grubham
Councilwoman Linda Yonchuk
Councilman William Diffendorf, Jr.

Also Present: Robert McKertich, Attorney
Gayle Diffendorf, Town Clerk
John A. Finch, Jr., Commissioner of Public Works
James Smith, Budget Officer

Mr. Smith said one of the biggest items is the cost with the sewage treatment plant. We are looking at collecting about \$1.446 million from our customers and expecting to pay about \$1.9 million, so we are working off the prior refund that they had given us which is an element of our fund balance and spending that down. One of the other things I shared with everyone recently is a surprise where we learned that in the 2017/2018 settlement of our cost versus our estimated flow, they had, hopefully temporarily, disregarded the allowances for the stack allowance that Frito Lay historically has been granted and Triple Cities Metal has a 12 percent engineering allowance. They just carved those out and put the full flow based on the meters going in. They are predicated on engineering reports so both companies are looking to update those things. After reaching out to one of the staff there, they thought an engineering report certified by an engineer, it's not like it's a done deal, they would look at it and hopefully revert back to status quo. We had to go back to 1996 for Frito Lay and 2005 for Triple Cities Metal to verify this. In the case of Triple Cities Metal, a firm called Geologic out of Cortland was involved so they're reaching out to them for that. I'm thinking the outcome might be we're going to work with you to restore those but we want to see some fresh computations to see if those allowances are still available. Although they might be worse now in terms of the allowances. I'm not sure which way that will go. Correspondence from Frito Lay indicates the stack allowance could be as much as 7 percent, and according to Mike Woods from Frito Lay, they've been looking at this because at some other locations they've had this kind of thing happen. They are going to revisit this and they have pretty sophisticated calculations. In the past whatever was rendered by them or Geologic was all passed by Ron Lake for his input and recommendation to the Town Board to accept that it was reasonable, and resolutions were adopted and it's been going on for several years. When I had previously done all the fund balance calculations and raising the rate over time, this was not factored in, so in terms of the money involved, between the two years and the two companies it would be about \$90,000. These were the only two companies involved. So basically because it was the arrangement, we certainly don't charge them as we go along, Frito Lay and Triple Cities Metal for that flow, with the understanding we're not having to pay for it at the other end. If we can't prevail on them to go back to status quo, we have to go back to those two companies because it's just related to their flow, not the whole sewer district.

In response to Councilman Diffendorf, Mr. Smith said this was pulled by a committee of the Binghamton-Johnson City Sewage Plant. I came across this because we received a refund check after they did their settlement, we pay quarterly a provisional amount, they take all their final calculations and then we could owe a little more or get a refund. The outcome of that process was a check to us for \$89,000 so I asked for the calculations behind it, since it has everyone's final flow that was reported, final costs for debt service, operation, etc., and when I looked at our flow on the worksheet I saw it was a grand total. I contacted them and said I think there's been a mathematical mistake on this, the flow for Frito Lay and Triple Cities Metal wasn't subtracted out like normal. Instead of us getting a credit, he said they had changed that starting in 2017, but we have no record of getting any notification of that.

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Supervisor Kniffen said we will eventually meet with their Board once we get all the data back. I was disappointed they did that without contacting us. We have Frito Lay with 400-500 employees and through the years we've always been concerned about them leaving because of how much they pay as well as the surcharge they pay. Mr. Smith added there was a time when we got a big refund check with supporting paperwork and I saw it was done without converting gallons to cubic feet properly. There was no hesitation on our part, we pointed it out to them that it wasn't right and we shouldn't get this much money. They were really appreciative of the integrity and ethics of the Town Board to do that, but it was only fair.

Supervisor Kniffen opened the hearing to public comment. Hearing none he ordered the hearing closed at 6:08 PM.

Respectfully submitted,

Gayle M. Diffendorf
Town Clerk