

**TOWN OF KIRKWOOD
PUBLIC HEARING**

November 29, 2011

A public hearing to hear objections to the 2012 assessment rolls for sewer and water districts was held on November 29, 2011 at 6:05 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: Herbert Kline, Town Attorney
Gayle Diffendorf, Town Clerk
Raymond Coolbaugh, DPW Commissioner
James Smith, Budget Officer

Supervisor Kniffen verified that he had affidavits of posting and publication in the Press & Sun Bulletin and The Country Courier.

James Smith, Town of Kirkwood Budget Officer, reviewed the proposed water and sewer budgets. A summary sheet, including an overview of the budgets, was supplied by Mr. Smith and is on file in the Town Clerk's Office. In regard to the water budget Mr. Smith said that it is very similar to last year. One carryover item that was not done in 2011 was a potential new water tank in Highland Heights for which \$170,000 has been put in the budget. At this time it is being funded by reserves but after the bid process part of it could be bonded to save some of the reserves. In regard to the rate, the minimum usage for the first 2,000 cubic feet will increase to \$25 every four months, or \$75 a year. The higher tiers of the water rate revenue will stay the same as 2011. A few years ago the minimum for low end users was \$62 a year and it had been lowered temporarily when the Binghamton Johnson City sewage rates were so dramatically increasing. Since the water fund balance is being used up they are trying to build it back up by increasing the minimum charge. If adopted this will take effect in January of 2012 and be included in the May 1st billing.

Supervisor Kniffen said that they have looked at other municipalities and Kirkwood's rates rank as one of the lowest, even with the increase.

In regard to the sewer budget, Mr. Smith said that there is about \$1,250,000 that is budgeted for the Binghamton JC Treatment Plant. The actual cost is not known but this is a 12% estimate of what it used to be. This would be just for treatment, not repairs or capital costs and there are major issues with the plant due to the recent flooding. The sewer rate will increase from \$4.30 to \$4.75 to try to stay ahead of what it will actually be. They have not received the final figures for 2010 yet. Other capital items in the budget are not dramatic. They are trying to adhere to the 2% tax cap by using the fund balance and keeping control on the user rates.

Mr. Smith explained that he does not feel FEMA or insurance reimbursements will have much of an impact on the special districts. He said that the retirement amounts are dramatically higher in this budget. Prepaying the amount is a consideration since it could be a savings. The plan is to use about \$86,000 of the Appropriated Fund Balance in the sewer budget to stay within the tax cap. Currently the sewer fund balance is \$540,000 (with the \$170,000 for the tank already deducted) and the water fund balance is about \$70,000.

Supervisor Kniffen said that they bonded for both the Bell School and Colesville Road sewer projects with USDA and they are now looking at other financial options in regard to refinancing for a net benefit. Although at the time the USDA loans were attractive there was basically a hidden expense with the loans because USDA requires audits which are very expensive.

Supervisor Kniffen explained that the new tax cap law requires municipalities to keep the tax increase in all funds at 2% or the rate of inflation, whichever is lower.

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Supervisor Kniffen explained that only a few years ago the sewer rent was \$1.20 and this is an item that it totally out of the Town's control since the bill from the treatment plant has to be paid. In regard to the future, he said the DEC has put the facility on notice to make improvements, which involves the outside users as well as the owners. Remedial action in regard to infiltration will be passed down to the users to reduce the flow to the plant. Kirkwood is one of the leaders of the outside users in looking at infiltration and reducing it. Currently the plant charges by water usage but at some point they will probably charge by actual flow, which will mean meters will have to be put in. He said that the Town has also been a leader with the outside users in addressing some ongoing charges that are passed down to the users that they are questioning which may help in reducing some of the costs. They are continually fighting for what is fair and reasonable.

Councilman Diffendorf questioned the cost of continued water meter replacement in both the water and sewer budget, noting that he feels it should all come out of the water budget. Mr. Smith said that they don't filter anything, they just measure and the same measurement is used for the sewer billing so the water budget is subsidizing individual sewer districts if they don't charge them something.

Councilman Diffendorf said he thinks \$30,000 to change meters that there may be nothing wrong with is a waste of money. Mr. Smith said that he thinks the ones being changed are the ones where the measured flow is diminished. John Finch said they are changing the ones they know are bad plus the ones that are at least 15 to 20 years old, which are the oldest ones in the system. It was estimated that about 75 meters could be changed for about \$30,000, depending on the sizes and there are over 1100 accounts. According to John Finch after the next reading there will be a 6-month history to compare whether there is a savings on the actual water usage. It was also noted that they typically read low due to grime and buildup. John also explained that once all the meters are replaced with radio heads it will take about 1 day to read them compared to the 3 weeks it takes now and this is done 3 times a year.

Mr. Kline noted that if more than \$20,000 is spent on the meters during a fiscal year they will have to go to competitive bid. If the water and sewer rates will be raised effective January 1, 2012 a public hearing will be required in January.

Councilman Grubham questioned where the budget line is for the cost of changing the water valves. John Finch said the cost to replace the valve at the corner of Acre Place and Barlow Road is included at a high estimate. Councilman Grubham noted a concern that there is not a budget line for other replacements. A long term valve plan will be presented by John Finch and Ray Coolbaugh at the January work session.

Mr. Kline explained that the Town Board started a project last spring of looking at all the sewer and water rolls for accuracy. A committee reviewed all the properties located in the districts and property owners whose units were going to be increased were notified by post card of a meeting to be held in October for anyone interested – about 6 attended. After that meeting a letter was sent to every property owner in all the districts with increased units, approximately 120. He noted that several of the increases were due to the fact that the business had failed to report back to the Town on the number of employees, etc. Since that time he has fielded numerous questions and some recalculations have been made. There are others where questions remain or nothing has been received.

Supervisor Kniffen opened the hearing to public comment.

Mr. Kline explained to Sally Shirk that hers was changed as requested, for 1 less employee, for the Gorick Construction property off Barlow Road.

Mr. Kline explained to Chet Mowery of United Methodist Homes that all the information required was received and the units have been adjusted as requested. Mr. Mowery said that he has background in water meters through the Village of Johnson City and the City of Binghamton and when they changed water meters they increased their revenue by 22% and there is also a pickup on sewer as well.

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Laila Cherfan, owner of Woodhill Court Apartments (4 buildings) expressed concern as to whether she will be paying more. Supervisor Kniffen said that it will increase and explained it is due to the dramatic increase in the cost of the treatment facility. He added that because of all the capital improvements and damage the outside users will have to participate in that cost as well. He advised her to multiply the number of cubic feet used by \$4.75 to get an estimate of what it will be.

Mr. Kline explained to Sandy Wasson that hers has been reduced to a 1-family unit.

Hearing no additional comments, Supervisor Kniffen ordered the hearing closed at 6:48 PM.

Respectfully submitted,

Gayle M. Diffendorf
Town Clerk