

**TOWN OF KIRKWOOD
PUBLIC HEARING**

November 27, 2018

A public hearing to hear objections to the 2019 Assessment Rolls for Sewer and Water Districts was held on November 27, 2018 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

Absent: Councilman William Diffendorf, Jr.

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

Mr. Smith explained that some of the biggest numbers across all the sewer districts in the budget is from the Binghamton-Johnson City Sewage Treatment Plant (BJC). He said we were trying to stay somewhat in touch with their rates as they've been increasing and trying not to be more than a year behind so in January 2019 our rate will go from \$4.65 to \$5.35. BJC is already planning on that being in the \$6.42 range, so we're behind a year for that. When you look at the sewer rent with that higher range, that's \$1,375,000, and we expect to pay BJC almost \$1,690,000, so we're working off the sewer fund balance on the prior year's amount. It's hard because we don't know if they even know how fast they're going to keep raising these rates. Based on these projections, when we finish 2019 we'd be bringing our sewer fund balance across all those funds to about \$1,252,000 and dissipating that over the next several years, with a projection to 2024. At that point, hypothetically, their rate could be up to the \$8.00 range and at that point we're going to need to get some parity with them on a curve basis. We've got to keep about one quarter minimum of the fund balance on hand so that we can pay the bill when it's presented. Overall we're looking at fund balances that mean we're appropriating approximately \$320,000 of that sewer fund in 2019 out of the total of \$447,000, and we're appropriating O&M as well of about \$92,000. So we'll be bringing down many of those others through the real property tax levies that have built up fund balances when trying to work those rates.

Councilman Grubham clarified with Mr. Smith that \$320,000 out of the \$447,000 is for the sewer increase for service from BJC. Mr. Smith said about \$35,000 is appropriated to water and that means about \$92,000 of O&M fund balance comes out. The only other debt that continues in these budgets is for Bell and Colesville.

Mr. Smith said the rates are pretty stable in the water districts, noting that certain contingency and reserve allowances are included. In water \$50,000 is going into the repair and capital reserves and \$25,000 into contingency. Sewer District #1 has a combined \$35,000 in repair and capital reserves. Councilman Grubham questioned why we wouldn't have anything in the repair and capital improvement in the budget for the Five Mile Point Industrial Park area. In terms of equipment, Mr. Smith referenced a sheet which is on file in the Town Clerk's Office which references items for a total of \$50,025 for water and \$57,975 for sewer, the bulk of which is for Sewer #1, meters, etc.

From the sewer rent standpoint, Mr. Smith said that Felchars has had a decrease in their sewer usage based on putting in a special meter and he has asked John Mastronardi to look into it.

In response to Supervisor Kniffen, Mr. Smith said the sewer rent next year will be \$5.35 and we're looking at changing the flat rate for the unmetered properties from \$79 each four-month cycle to \$99, which tries to keep that in parity with the rates.

Mr. Smith said this is kind of a first, when he reached out to Chuck Shager at the City of Binghamton, questioning if he had any kind of indication of what next year's provisional

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November 27, 2012

rate to us would be from BJC, he gave Mr. Smith a detailed estimate in the form of what the invoices look like, so he has a feeling it's a pretty good one, and that was at \$6.42. Councilman Grubham said it looks like about an 80 percent increase from 2017 to 2024. Mr. Smith said if they don't continue to keep raising what he has hypothetically put down, we wouldn't need to raise ours, we'd just keep tapering ours back and make sure we use up the fund balance. He added that next year at this time when we get the 2020 projection it will be a real indicator.

In regard to the ladder for sewer, Councilman Grubham said we will have to throw out the bid of \$32,000, since the specifications are not going to work and now we're going to have to pay an engineer to design it and the cost is going to rise. Mr. Smith said we had about \$18,000 in the budget for this and this is probably one of the things we will have to take out of capital reserves.

Supervisor Kniffen opened the hearing to public comment. Hearing none, Supervisor Kniffen ordered the hearing closed at 6:17 PM.

Respectfully submitted,

Gayle M. Diffendorf
Town Clerk