

**TOWN OF KIRKWOOD
WORK SESSION**

September 24, 2019

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

Absent: Supervisor Gordon Kniffen

Also Present: Robert McKertich, Attorney
Gayle Diffendorf, Town Clerk
John A. Finch Jr., Commissioner of Public Works
Marchie Diffendorf, Planning Bd. Chairman
Duane Travis, ZBA Chairman

1. Open Public Bid - Tandem Axle Truck. (JAF)

Dep. Supervisor Diffendorf opened the following bids:

Burr Truck: 2019 Volvo (in stock) with \$40,000 trade in \$161,028

Burr Truck: 2020 Volvo – NJPA/Sourcwell Pricing – with \$40,000 trade in \$173,466

Mr. Finch explained this bid is to build the truck and ship it to us.
It would be ready sometime next summer

Stadium International: 2021 International Model #HB513 \$196,784

Dep. Supervisor Diffendorf said there are deductions that Mr. Finch will review. Mr. Finch said they did not have a trade-in. Volvo said the \$40,000 would be whether we bought it from them or not, they would buy it for \$40,000.

Mr. Finch will review all the bids and report at the next meeting.

2. 2020 Tentative Budget Presented.

Dep. Supervisor Diffendorf said a copy of the tentative budget will be available to the public at the October 1st meeting at which time a public hearing will be scheduled.

Mr. Smith said the estimated sales tax revenue is coming in stronger than we budgeted for 2019. Originally there was some feedback from the statewide level, some of the state aid per capita, that for those municipalities that were at certain financial help, they were going to take that money away from us. Ours would have been about \$31,800 if they did that. There was a lot of pushback that we've had that year after year, and we budgeted for it. They actually were talking about taking it out mid-stream for 2019 and then they re-let it. Part of the reason I think they have is the sales tax regime, the laws changed as far as the internet so that the State will be able to collect sales tax for the Amazon internet kind of thing and any kind of vendor that used to be brick and mortar in the State, and they've liberalized that to get more of that money if the people buy out of New York. Having that extra influx, now they've restored this other state aid per capita and whether we're going to get above and beyond from the internet impact we'll see.

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We've ratcheted it up in the 2020 budget, more money from sales tax. The big picture is how we propose to try to reduce the rate on a town wide basis by around .88%. Dep. Supervisor Diffendorf said everyone should be aware that we're reducing the tax rate town wide and that's the good news.

Regarding the sewage treatment plant, Dep. Supervisor Diffendorf questioned if they are going to keep the rates the same. Mr. Smith said they will be going up and we'll be proposing an increase for that. I went to a Finance Committee meeting and received information in that regard. I am predicting that we will raise our rate with flow starting January 1st and that will still be below what we expect they are going to charge us. We're still spending down some reserves and trying to buffer how much we raise even though we pay them more. I don't see any change for water.

3. Resolution Approving the 2020 Preliminary Budget and Directing a Public Hearing for October 29, 2019 at 6:00 PM.

Resolution.

4. Resolution ratifying a resolution renewing the Intermunicipal Agreement with Broome County for Court Security, in accordance with the attached agreement.

Dep. Supervisor Diffendorf said it appears our agreement with the County is basically the same with just a small increase of 70 cents per hour. Resolution.

5. Discussion – Water Supply Sanitary Survey. (JAF)

Mr. Finch said every year the Health Department does an inspection of our facilities for water. They check out the plants and tanks. Everything was in good working condition. The only thing they suggested, which is being taken care of, is trimming the trees that are growing up around tanks 2 and 4. Tank 4 has been taken care of.

5a. City Line Booster Station.

Mr. Finch said the booster pump has been installed at the city line booster station. Once the soft starter comes in we'll be able to get that station back on line again. I'm still waiting to hear from Binghamton as to what they're going to charge us.

6. Discussion – Request for purchase a 12,000 lb. truck lift from Josh Williams to replace existing lift, at a cost of \$5,000 and the Town of Kirkwood's old lift. (JAF)

Mr. Finch said we currently have a 4-post lift purchased used by Dick Jones. It's been through numerous floods and needs work. My Deputy, Bill Tozer, has a friend that purchased a lift that we were looking at purchasing and he is willing to trade our lift for his plus \$5,000 to cover the cost of the lift. The price of a new lift from the dealer is \$17,353 for the same exact one that he bought new only a couple of months ago at the auction. He would help disassemble it and help

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install it here. The benefit of this lift is that it's a scissor lift, not a post lift. In the winter when we have issues with our trucks we can drive them on the lift quickly with the plows on. With the 4-post lift we have to take the time to take the plows off and then put them back on. This is a quicker operation and has two jacks in the middle so you can lift up either the rear or front end while it's on the lift. We now only have one jack in the middle. The lift is only two months old and would be much better than the one we have now. It operates on air. A conduit will have to be run down the wall to retrofit it since the current lift mounts the electric to the ceiling and this one comes in from the sides.

7. Discussion – Request to go out for Sealed Bids for Foley Road Site #3 and Site #4 (FEMA projects) with bids due and opened October 24, 2019 at 12 noon. (JAF)

Mr. Finch said these are two more projects that we sent through FEMA and they've been approved for funding. One project is over by the gun club and the other one is by C. R. Weeks School, the box culvert that runs under the road. The price that John Mastronardi gave us to do the gun club project is around \$35,000 and closer to \$90,000 for the C. R. Week project. We're going to have contractors bid on both jobs at the same time. We're looking at possibly doing the bid opening on October 24th at noon, so we'll need a Board member present. We can then look it over and hopefully have it approved on October 29th at the work session. I'd like to get it done before the winter months. They should be able to get the job done at the gun club pretty easily but for the other job they have to go through a person's yard and it's much more of a drop off than it was at Johnson Road. Mr. Finch explained all the work that will be required, noting this is more extensive than the gun club job. Resolution.

8. Discussion – Request from James R. Smith, Budget Director, to attend a NYGFA seminar on November 14, 2019 in Batavia, NY at a cost of \$170.00 for the registration and lodging for one night at a cost of \$112.00.

Mr. Smith said this is the Government Finance Association at Genesee College in Batavia. One of the big items on the agenda is going over issues in the annual update document. Even though we're not audited every year, we have to file that report every year. I'm always looking for pointers and red flag issues. Resolution.

9. Audit of Claims.

Resolution.

10. Dave Finch – Energy Audit.

Dave Finch said Supervisor Kniffen asked me to come today after Mr. McKertich contacted the company. Mr. McKertich said I did have a conversation with the TRI Attorney as well as the head of their organization. I think the best way to understand this is to look at it in two parts, the historic refunds and the refunds going forward. In regard to the historic refunds, they'll come in and do an audit of utility bills going back about four or five years and if there are

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errors that justify refunds, the Town gets a refund and pays 50 percent to TRI. In addition to that, if the work they do results in future reductions to the monthly bills going forward, then the Town would owe TRI 50 percent of the monthly savings that are realized as the result of their audit for a period of 36 months. Through our discussions they agreed to reduce that down to a period of 18 months.

Dave Finch questioned if they explained how they calculate future savings going forward. Mr. McKertich said if they find an error that would have progressed on the monthly bills if we hadn't hired them, then they project that out as to what it would have cost us and then charge the Town half the amount of that savings. They say they document all this and what the reductions would be.

Councilman Weingartner said the way I'm looking at it is, if it was say \$1,000 a year and they went back five years, that would be \$5,000 and we would get \$2,500. If it's \$1,000 a year we would owe them \$1,500 for the 18 months and we'd still be \$1,000 in the black.

In response to Mr. Finch, Mr. McKertich said discounts were discussed if the amount was paid in advance, but the percentage was not discussed.

Mr. Smith said when they are doing the study and they find something that needs to be corrected which results in a refund, at some point the nature of the correction has to be implemented by the provider so in the future it's going to vanish, theoretically, right? Mr. McKertich said I asked that same question. It occurred to me if they found that they were charging the Town the wrong rate, wouldn't they then go and correct that already for any future savings. The response I got from them is you have to keep on them. It's not unusual that if they find an error in the historic review, and you get this refund, they'll continue that error into the future because they're not apparently as well organized as you may think. Councilman Grubham said let's assume that happens, they keep making the same error so they're going to owe us the money again. Mr. McKertich said according to TRI they'll monitor that moving forward making sure they're not making that error. Mr. Smith said at some point it should go away if the utility conforms to what they're pointing out.

Dave Finch reiterated what Dep. Supervisor Diffendorf said at the last meeting, that an audit was done years ago and the question is did they correct it and is it still corrected. If they don't find anything then there's no charge.

Marchie Diffendorf questioned if there are errors that are being committed by utilities, if they are being fined by Public Service Commission, because if there are they should be fined. Councilman Grubham said they set the rate but I don't think it's their responsibility to check every bill to see if it's correct.

Hold until the next meeting.