

TOWN OF KIRKWOOD WORK SESSION

June 26, 2018

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

Also Present: Nicholas Cortese, Attorney
Gayle Diffendorf, Town Clerk
William Tozer, Deputy Commissioner of Public Works
John Mastronardi, Engineer

1. Open Sealed Bids – Stair/Ladder Work at the Main Sewer Station.

Councilman Diffendorf opened and read the following bids:

C&C Welding Co., Inc.	\$31,283
J&K Plumbing & Heating Co.	\$52,000

He verified that both bids contained Non- Collusion Certificates. Bill Tozer reviewed the bids and noted no specs were included with J&K Plumbing's bid. The C&C Welding bid matches the specs John Finch wanted and has the prevailing wage on it. John Mastronardi said it looks like they were bid using the bid notice as posted. Resolution.

2. Discussion – Highway Garage Drainage. (GEK/JAF/J. Mastronardi)

John Mastronardi reviewed the two options he had designed. One was a gravity flow system, which is a system of pipes that go into a drainage structure and then tie into the existing system. The second option was a system of pipes going into a large basin which houses two pumps, at a cost of about \$38,000 more than the gravity flow option. Councilman Grubham questioned if we went with the gravity flow option if we could add the pump option later if we wanted to. John said that would be an option because the proposed drainage structure could be sized so it could house two pumps in the future. He said this has been sent in for funding and he believes we've included everything. Councilman Diffendorf questioned when you go with gravity flow, which way the water flows. John said there is a catch basin near the mailbox and then it flows to the park creek. He said with the pipes that are back there now there is no drainage structure underground and some of the joints have been disconnected. Councilman Diffendorf questioned if John thinks we can gravity flow the water from the back corner of the property all the way around and into the creek. John responded yes. In regard to the cost, the pumping option is estimated at \$220,000 and for the gravity flow option it would be about \$182,000. Supervisor Kniffen said both options have been given to the grant writer but he thinks we should steer them in the right direction. Councilman Grubham said we should ask for the complete package and see what we get and if we don't get the money we could cut back. Supervisor Kniffen said if we go for the higher option we would still have to pay more and questioned why the lower option wouldn't work. He said if we truly believe \$182,000 does the job why would we take the money from another grant if we don't really need it. Councilman Diffendorf said in this case we're not really sure if the gravity flow option will work well

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enough so we should go with the higher option since pumps may be needed. Supervisor Kniffen will tell the grant writer to go for the higher option.

3. Discussion – City Line Booster Station. (J. Mastronardi)

Supervisor Kniffen said we've already spent money on this project but there's more to do. He explained that we have contacted the Mayor of Binghamton to possibly find another way to measure the water since the expense for a meter is \$26,000. This has also been submitted for a grant which would be helpful. John Mastronardi said since our last meeting when we talked about the meter and controls for which the costs came in higher than we anticipated, he asked one of our contractors to look at another option for the meter. The contractor came up with the idea of an insertion meter, which is about half the cost at about \$10,000 to \$13,000. He said the difference is an insertion meter is a little bit old fashioned, that if you were selling water to a community you would want to use a newer Neptune meter, but in this instance for an emergency situation, where we may never even use it, he thinks it would be a good time to use an insertion meter. In regard to the controls, the contractor quoted us for a different controls package that would be regulated with a pressure switch, and would be more hands on instead of automated. The cost of that was about half as well at about \$10,000 for one package for both pumps. These options would amount to about \$23,000 to \$26,000 less. John said the cost for 2 pumps in the proposal is \$45,750, that they are not changing, only the controls for the pumps. In response to Councilman Diffendorf John said we need two pumps in case one goes down or if one can't keep up. We are limited in the size and these are 750 gallon pumps. He said a 750 gallon pump can keep up but it not something that would be available long term, it would just maintain levels. He said they can both be run at the same time. Councilman Diffendorf said we're looking at an emergency situation only. It was noted that a pump should get exercised once or twice a year and should have a regular maintenance program. Since those pumps are \$23,000 each Councilman Diffendorf is questioning if we need two, because in an emergency they shouldn't have to run more than a couple of days even though they should be capable of running for a couple of weeks. John said the Director of the Water Department for Binghamton said we need to have a meter since they will want to be reimbursed for the water. Councilman Grubham questioned if it couldn't be calculated by run time. John said it would have to be tracked and maybe be a ballpark figure. Supervisor Kniffen said we will wait to see if we get any grant money.

4. Resolution, ratifying a resolution authorizing the Supervisor to sign a contract with Municipal Solution, Inc., to provide assistance with continuing Disclosure Filings and Regulations pursuant to the Securities and Exchange Commission (SEC) Rule 15c2-12, in accordance with the attached contract. (GEK)

Resolution.

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5. Discussion – Playground Project and Resolution to apply for the playground project. (GEK/ONB)

No discussion. Resolution.

6. Discussion – 72 Grossett Proposal. (GEK)

Andy Batty, representing Buckingham Manufacturing, addressed the Board by explaining what they are proposing to do is purchase, finish and reconstruct the 72 Grossett property that has been vacant for approximately three years. They plan to move two of their main shops with 144 people immediately and then plan to hire 30 people within two years. Mr. Batty said they estimate spending about \$300,000 for the first stage of the project since the building needs to be rehabilitated. In the rear of the property they estimate spending \$300,000 to \$400,000 to expand their testing facilities. They will more than double the purchase price in terms of additions. The first phase will be done in a year or two and phase two will take no more than four years, and hopefully only three years.

Mr. Batty said they are asking for a PILOT of the construction variety, since they will be making a significant investment. Supervisor Kniffen verified that Buckingham will be transferring people that are already employed and said normally we talk about PILOTS when new jobs will be created, and questioned what this will bring to Kirkwood. Mr. Batty said there will be 144 people that will shop, go for lunch, and some of them may even move out here because it would be much more convenient and basically they will spend money. Mr. Batty said they are committed to hiring 10 people a year for the next 3 years. He said it is most difficult to hire and train people and they could stand to hire 68 more people right now to keep their backlog at its current level. Mr. Batty noted that the company has grown from 38 people in 1984 to 330 right now. They are a steady growth company and sell their products all over the country and to a lesser degree around the world, adding that they are not tied to the local economy. He added that they expect to hire 30 people in the next 2 to 3 years and they could double that number if they could find qualified people. The company manufactures equipment for major electric utilities, telecommunications companies, wireless and cable providers and arborists. He said they supply equipment to over 90% of the electric utilities in the United States. He said fortunately there is a good, growing and steady industry to supply and they make a very high quality product that is very standardized and very regulated by OSHA.

Councilman Weingartner questioned if after the facility is renovated it would accommodate 68 more people, since the company's goal is to hire at least 30 in the next two to three years, but would like to add a total of 68. Mr. Batty said yes because 72 Grossett will have about 20,000 square feet of manufacturing space and they currently house 144 people in 10,500 square feet. That is almost 50% more space, giving them room to grow and be more efficient. Mr. Batty noted they operate 21 ½ hours a day, with 2 10-hour shifts.

Councilman Grubham stated that he doesn't know what the assessed value of the building is now, but it would change substantially with the addition and upgrades to the building and if this goes through that's what the PILOT would be based on. Mr. Batty said they would be asking

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for a PILOT based on the whole value of the building now and in the future. He noted that PILOTs do run out, usually in 15 years. In response to Councilman Grubham, Mr. Batty said they would like the PILOT to start as soon as they purchase the building, on the assessed value, then as they add to the property they would like to get a PILOT at the same rates on the addition. He said he would expect the PILOT on the additional \$300,000 to run sequentially, starting a new PILOT after each addition.

Mr. Batty responded to Councilman Diffendorf that they are getting IDA money and the numbers for the PILOT are standard Broome County IDA figures. Councilman Diffendorf said there basically is no standard, it is whatever is agreed upon. Mr. Batty said they need a reference point to start, and the reference point is the construction PILOT that is typical for the Broome agency. Councilman Diffendorf said what is also typical for PILOTs is that the building is existing and the PILOT would only really affect the new construction. Mr. Batty said that could be agreed upon but they are asking for it to apply to the existing building also. He said he feels what they are asking for is fair in light of the investment they are making and the fact that they are immediately bringing people to work in Kirkwood. Councilman Diffendorf said the IDA is for the whole county, not just Kirkwood. He added that we want more jobs here but basically the jobs are already in the County, and it's great the company will be hiring more employees, but we are not going to see an influx of people moving to Kirkwood. He did note they may spend some money here but over-all this is a county-wide thing. He noted that the host community, especially the school district, absorbs the tax loss that the company gains. Councilman Diffendorf said we have to be objective and look at it as fair for all sides.

Mr. Batty said he understands Councilman Diffendorf's position, and that's why they thought long and hard before asking for this. He also noted they do have other options, one in particular is subcontracting their work in North Carolina where they have a direct relationship with the people, they're a qualified government contractor and they can do some of the lower level work for the company. He noted they would rather not do that, but it's a competitive world and they compete with companies around the world. Mr. Batty said when they first became involved with the company there were 42,000 manufacturing jobs in the Broome/Tioga area and now there are only about 10,500. He said this is a serious proposition they are undertaking and they would like some of their tax money to contribute to their efforts.

In response to Councilman Diffendorf, Mr. Batty said they are exempt from paying sales tax on the construction costs.

Supervisor Kniffen said we have a history of being business friendly and whatever happens they will pay less taxes in Kirkwood than in Binghamton. Mr. Batty said he agrees, but in Binghamton they have a piece of property that allows them to operate and if they vacate that it will be worth nothing. He said for them the high cost of doing business in Binghamton is offset by the fact that they have a zero cost building. Supervisor Kniffen said the Board will discuss this and advise Mr. Batty of their decision.

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7. Discussion – Geiger Lane. (GEK)

Supervisor Kniffen explained that Geiger Lane takes people to the boat launch that Kirkwood put in with the help of DEC and he received a request from Bob Geiger to see if they could get some help with the road.

Bob Geiger of 2279 Route 11 said he thinks it was a great idea to put the boat launch in years ago for emergencies but he thinks the Town should keep the road plowed after significant snow falls so they can access the launch in the case of an emergency. He said there are constantly pot holes in the road which cause damage to vehicles and they would like to see a more permanent fix than filling them every few months. Mr. Geiger said although the Town has supplied millings for filling the pot holes, they have been taking care of the road themselves for a long time. He said there is a lot more traffic on the road now since the boat launch was put in, with 6 to 8 fishermen a day. He does think it's a great thing that they are using it, but he is concerned with the road. He said when it rains the millings are washed out and something more substantial is needed.

Gary Nesbitt thanked the Board for the ribbon cutting ceremony for the boat launch. He said last summer the Town gave him about 8 loads of millings because he volunteered to help fix the road. After the first year the boat ramp was put in it wasn't used as much as it is now and they are learning as they go about the usage. He said that in August of last year he and Scott Landers put over 4 loads of millings down the road with their own equipment, fuel, etc. He said he left for the winter and when he came back in the spring the road was worse than when they started putting down the millings in August. He said it seems like they wasted their time and effort as well as the millings and there is a concern that in the case of an emergency a fire truck could get stuck. He said he's not complaining about the boat launch but before that it took only a couple of buckets of stone to fix the pot holes.

Councilman Grubham said he doesn't remember that the main reason the boat ramp was put in was for emergency situations. Mr. Nesbitt said it was brought up because Rychlewskis' shut down their boat launch. Councilman Grubham said the problem with getting emergency vehicles down there is that they have to go across the railroad crossing and a train could hold them up. Mr. Nesbitt said it was one of the reasons. Councilman Diffendorf said that was part of it because Stillwater is the only deep water in the river, so that's where the boat launch had to go in. Councilman Grubham said it might be more involved if we're going to try to make it more emergency accessible. The railroad crossing is the issue. Councilman Diffendorf said that was the problem in Conklin during an emergency situation, a train blocked the crossing.

Supervisor Kniffen questioned Bill Tozer as to what he would suggest be done if the Town were to do something to mitigate the problem. Bill said one thing is that we got a lot more rain this year and much bigger material will have to be brought in to harden up the road, and that would have to be budgeted for. John Mastronardi said he would suggest putting down something like a geotextile fabric which would go a long way to help the millings stay on.

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After additional discussion Supervisor Kniffen suggested that Bill Tozer and John Mastronardi meet with the people involved and define what is needed, determine the cost and report back to the Board.

8. Discussion – Update on grant Proposals. (GEK)

Highland Heights Water Tank.

Supervisor Kniffen explained this was probably our first project. He said the initial feedback wasn't good regarding grant money, that it was rejected because our median income in Kirkwood is too much. He said the other avenue would be EFC (Environmental Facilities Corporation), which is an arm of Albany, who have loaned in the past with zero interest, but in this case there is something else with EFC that we could possibly get money from.

Salt Barn.

Supervisor Kniffen said we gave them the estimate on this and passed a resolution to go forward.

All-Inclusive Playground.

Supervisor Kniffen explained that this is a committee separate from the Board that wants to put the all-inclusive playground in for handicapped children to use and the estimate for that project is \$350,000. He said the Board is involved because of some legalities and we want to work with the committee. This was submitted for a grant and if it comes through they could get 75%. Councilwoman Yonchuk said she thinks one of the important things for people to remember is the all-inclusive aspect, that we are focusing on children or anyone with disabilities, with the goal to design one correctly to look at families that have children with disabilities and children and adults without disabilities to be able to play together. She said this even includes shaded areas for those that are watching the children.

Councilman Diffendorf said we are writing these grants and asking for a lot of things and questioned if we get a grant if it takes away from another area where we might have gotten a grant. Supervisor Kniffen said he doesn't think so, that Binghamton has gotten grants for numerous projects. He will pose this question to the grant writers but there has been no indication that's an issue. Councilman Grubham added that if these grants came from the same funding source that might be an issue but they come from various sources. Supervisor Kniffen said the grant for the water pump station will go through EFC.

Vacant Motel – Upper Court St.

Supervisor Kniffen explained the County owns this property and they want to give it to Kirkwood for \$1 but we don't want to do that until we have a way to remove it. He said that we did request a grant but there wasn't anything available, and the only thing that might apply is Restore New York, which would have fit perfectly and we could have gotten money, about \$20,000 from that, but for some reason it was left out of the NYS budget this year. Supervisor Kniffen had a meeting with DOT, developer Mike Maciak and the County yesterday and they looked at the different options. The creek is causing all the problems and this Board looked at

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one way to mitigate the flooding by re-routing the creek. A DOT study determined that would cost \$3 million. He said yesterday we talked about making a more gradual turn with the creek through the motel property. The developer is on board with this but DEC approval would be needed to do anything with the creek. He said they are looking to DOT to give up the corner lot that they use for storage and in return we would give them the motel property. He said things are in motion and this is the most hope we've had in a long time, but it will take time.

9. Discussion – Ritter Project. (GEK)

Supervisor Kniffen said this has been a battle for years and years regarding the property on Route 11 across the tracks. There have been code violations and every Code Officer we've had has had to struggle with Mr. Ritter to get things done, he's been taken to court and we believe it's a real blight on the community. He said in the last year, with the expertise of our attorneys, we found a couple of ways to remedy this. As a reminder, he stated there is the green house, white house and trailers on the property. He explained that the white house has been condemned, it can't be lived in or restored, so the Board decided to go after that and remove it, pay for it and put it on Mr. Ritter's taxes so that we would get reimbursed. The next step would be the removal of the trailers and we would need a resolution for that. He said the situation would then be we'd put the money up front and then it would go on Mr. Ritter's tax bill and the County would give him so much time to pay the taxes and if he doesn't pay them the County would foreclose on the property, similar to the motel, and the Town would take over the property. He added that would not just happen, we would end up with a lot more legal battles with him, that Mr. Ritter is his own lawyer and he is pretty good at it, and it only costs him his time. He said when Mr. Ritter recently appeared before the Board he said something about wanting the Town to buy the property and that caught our attention. Supervisor Kniffen said the last thing anyone on this Board wanted is to say we put some money into Mr. Ritter's pocket but the way he looks at it is this, we would spend probably \$22,000 on removing the trailers and the white house and because we would probably get a legal fight it would be another \$10,000 so now we're up to \$32,000. Mr. Ritter said he wanted \$30,500 for the property but came down to \$25,000 and we could use that money to take out the whole property and he gets out of town. In regard to who would pay to remove the buildings and trailers, Supervisor Kniffen said we've been in contact with the Land Bank, who removed the Kasmarcik property on Route 11 and it didn't cost the Town a penny, and although there is no guarantee, they said they have the money and this property fits. Supervisor Kniffen said he favors doing this and Mr. Ritter has signed the agreement and authorization of a majority vote from the Board for the Supervisor to sign it is needed. In polling the Board, Councilmen Weingartner and Grubham said they are in favor and Councilwoman Yonchuk and Councilman Diffendorf said they are against doing it, with Councilman Diffendorf questioning if it's a requirement that the property needs to be appraised before we can buy it. Mr. Cortese said he believes that both parties can agree to the purchase price and, in any event, the purchase price is the total assessed value of the property. Councilman Diffendorf referred to the fact that in the past Mr. Kline said we had to have a parcel appraised. Supervisor Kniffen said we did get the property appraised a while ago and the appraisal was \$22,000, the same as the assessment. Councilman Diffendorf said, if he remembers right, we can't pay more than an appraisal. Mr.

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Cortese said his understanding is that a municipality cannot pay more than the fair market value of the property and right now the full market assessed value is \$25,000. Since according to Supervisor Kniffen the property was appraised a couple of years ago at \$22,000 Councilman Diffendorf said he doesn't think we can pay more than that. Mr. Cortese said we can look into it but for right now he wouldn't be comfortable saying it's one way or the other. He added that he has been working with Mr. Blaise on this for the last several months and they are comfortable with moving forward at this point. Mr. Cortese explained that tonight the Board would be voting to execute a contract, that the contract still needs to close so we have to do a title search on it to make sure that we can get clear title to the property and there is no way of knowing what that will turn up. He said, hypothetically, if there is something wrong with the title, we can't close on the property so there would have to be a price abatement or Mr. Ritter would have the option of walking away from the contract, and if we can't get clear title we would have the same option. He said this doesn't obligate us to anything unless everything comes back clear. Councilman Diffendorf said in the resolution there is no dollar amount so he doesn't understand what we are approving if the amount is not included. Mr. Cortese said the amount is referenced in the contract. Supervisor Kniffen said we'll add \$25,000 to the resolution. Mr. Cortese said if it ends up being the case that we can't physically do this, then we would do another resolution to rescind the approval of this contract. He added that the reason the Board needs to vote on this tonight, regardless of the concerns that may exist, is that there is a provision in the contract that puts time of the essence. He said if the Board doesn't approve this tonight we would have to tear up the contract and start again because both parties need to execute it on or before June 26, 2018, and if that happens Mr. Ritter may not cooperate with us. Councilman Diffendorf questioned why time is so important. Mr. Cortese said it is something that is very important to Mr. Ritter. He said there are pending court dates and fines, a lot of things that the Town has done to get ourselves into this position to have this opportunity today. Councilman Diffendorf questioned, as a point of clarification, if Supervisor Kniffen signs the contract today if we can still get out of the contract. Mr. Cortese responded if there is no price abatement on Mr. Ritter's part and he can't deliver us clear title, then naturally we would have to get out of the contract. He explained that if there is a lien on the property the Town is not going to eat that lien and the contract gives us the ability to walk away if that ends up being the case. Councilman Diffendorf questioned one more time, if the appraisal is lower than the purchase price and the State says we can't pay more than the appraisal, how we would get out of the contract. Mr. Cortese said if you make a contract and it ends up being that you can't make the contract, it would be void. He said that he and Mr. Blaise think this is a good situation and if we don't do this and pursue the litigation option, which we are also fine with as attorneys, we would have a situation where he believes Mr. Ritter would go back to digging his heels in and making sure that he gets in front of the court on every decision we make. Councilman Diffendorf said his point is that he cannot give Mr. Ritter that kind of money. He said he cannot buy a place to just get him out of town, that we have a system in place and we would take it over from the County if he doesn't pay his taxes even though it's three years down the road. He added that house has been there since he was a kid and it will be there until it's torn down, whether it's right now or three years from now. Resolution.

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10. Discussion – Speeding Fines/New York State. (GEK)

Supervisor Kniffen explained that when we looked at merging local courts we found out that there are other small municipalities in NYS that get 50% of the fines and Kirkwood is only getting 25%, yet there are about 1,500 courts in NYS and Kirkwood ranks 50th, so it's obvious we have volume here. He said we found out that 100% of any fine related to an arrest on a NYS highway or a Federal highway goes to the State, so we're only getting our share from local roads and we're losing a lot of income. He also noted we have the cost of running the court as well as the cost of added security. He said we contacted Senator Akshar and Assemblyman Crouch and they presented this to the legislature to determine how this has happened, that this definitely is not fair.

11. Discussion – Standard Work Day and Reporting Resolution for Elected and Appointed Officials – Record of Activity – Gayle M. Diffendorf, Town Clerk and Registrar of Vital Statistics.

Held.

12. Discussion:

Health Insurance into retirement for current part time employees.

Vacation credits for permanent part time employees

Sick leave and personal leave for all eligible employees can be used in ¼ hour increments rather than 1 hour increments.

Full time employees hired after 07/01/18 will be required to pay a percentage of their health insurance into retirement. (LJY)

Supervisor Kniffen explained the Benefit Committee - Councilwoman Yonchuk, Mary Kay Sullivan, Jean Smith, John Finch and himself, are presenting the above changes to the employees benefit policy for the Board's consideration. He said currently part time employees have single health insurance coverage but have nothing into retirement, so the Committee is recommending that. The Committee is requesting vacation credits for permanent part time employees, and ¼ hour increments rather than 1 hour increments for sick leave and personal leave for all eligible employees. He said it came up at the last meeting of the Board that currently active employees contribute to their health insurance but we realized when they retire and are eligible for health insurance into retirement they no longer contribute, so the Committee is recommending that that carry over into retirement, at the same percentage as active employees. Councilman Weingartner suggested the contribution be set at the percentage of the rate they were paying when they retired and continue to pay that percentage throughout retirement. Councilman Diffendorf said he feels retirees should pay whatever everyone else has to pay because once they get to be 65 it's not an issue. He said they are taking a benefit by retiring early and they should have a plan to have the money to pay for the insurance. Councilwoman said the Committee talked about that if the cost goes up and the percentage goes up the retirees would be notified their percentage would go up as well. She said right now in the Collective Bargaining Agreement that they get 100% and they aren't going to bargain

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that away. She said that's why the Committee added that provision about anybody hired after this goes into effect, so that if there's an increase after they retire they will pay the increase. Supervisor Kniffen said he checked with the Union and they have no problem with it. As a point of clarification, Councilman Diffendorf questioned if the Union said they will give that up on new hires, that they will have to pay for insurance if they retired. Supervisor Kniffen said it is only for anyone hired after 7/1/18, that it won't affect any of the current employees. He did note that we will get that in writing from the Union. Councilman Diffendorf said we will just have to decide what the rate will be. Councilman Weingartner said he does not have a problem with it. He also noted that this includes the \$2,400 Medicare reimbursement for the part time employees. Resolution.

13. Resolution hiring Jake Tutko as Laborer to work in the Parks Department effective July 5, 2018 for 90 days at a rate of pay of \$12.82 per hour.

(JAF)

Resolution.

14. Resolution hiring Everett Benedict as Laborer to work in the Department of Public Works effective July 9, 2018 for 90 days at a rate of pay of \$12.82 per hour. (JAF)

Resolution.

15. Resolution amending the Policy to Prevent Violence in the Workplace, in accordance with the attached policy. (WJD)

Resolution.

16. Resolution adopting the Workplace Violence Prevention Policy Statement and Violence Incident Report, in accordance with the attached policy.

(WJD)

Resolution.

17. Resolution hiring Jessica Kinney as Clerk PT in the Code Department effective July 9, 2018 at a rate of pay of \$15.75 per hour.

Resolution.

Discussion: Supervisor Kniffen said there were 3 applicants for the position. He noted a new Deputy Town Clerk would now be needed and asked Town Clerk Gayle Diffendorf if she had a preference. Gayle said if she had a choice she would choose one of the applicants for the Clerk position, her daughter Kelley who has a very strong resume and is very qualified. Supervisor Kniffen said he thinks she would make a good Deputy. He added that we do have a policy that states a supervisor of a department can't have a relative as a subordinate, but knowing what Gayle wants he would like to see a way to make this happen. Councilman Weingartner said he

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had the same discussion with Councilwoman Yonchuk. He explained that he sat in on the interview with two girls that could do a great job and he knows that Gayle will be losing Jess, and he thinks this is a time, since we know how good this person is going to be, that we do something to allow that. He said he knows the person that applied for it and knows she will do a great job as Deputy. He added that Gayle lost a Deputy years ago that did a great job but she was a relative named Diffendorf and that caused issues. He said he has faced the same issues in the past as a Weingartner since his mom worked for his dad who was an elected official. Although we have the policy, he said sometimes he thinks a policy like this can be tempered. Councilwoman Yonchuk said she agrees since Kelley is very qualified for the position. Supervisor Kniffen said he supports this as well. Resolution.

18. Discussion – Request for Speed Limit Reduction – CR 20 – 55 MPH to 50 MPH. (GEK)

No discussion.

19. Discussion – Workers Compensation. (RFW)

Councilman Weingartner said back in January when we were doing our Workers Compensation coverage renewal, the Broome County plan was reviewed and the initial cost for that would be \$71,000 for a year. This is a plan which looks at claims on a year by year basis. They don't look into the fact that many claims go beyond one year. We currently have PERMA which fully funds for the life of the entire plan, they don't look at things on a yearly basis. He said our PERMA policy started with a 2-year plan at \$123,000 and the second year of the plan is \$114,000. He said in looking at that there is a difference of \$43,000 but Pat Regan has worked hard with PERMA to get a program where for a first year it would go to \$96,000 and then no matter what happens the second year it won't go over \$96,000, and it could get down to \$90,000, and that's fully funded.

Pat Regan spoke to the Board as a consultant regarding this issue. He said he did a lot of research with PERMA and they helped him to understand how the County fund is structured and how it is different than what the Town has. He said the Board should think about the cost today (as of 1/1/19) and then about what future potential costs are. He said the County plan gives you a very good price to enter into it at \$70,000 but that cost can change over time depending on things such as the Town's claims experience. He said they looked at the Town's Loss Report from 2013 to May 2018 and during that time the Town had \$323,000 paid and incurred claims. He said the County is looking to charge \$70,000 this year and over 6 years that is \$460,000. He said the 75% loss ratio means for every dollar in premium that they collect they are paying out 75 cents. Right now that's not very good. Pat explained that the concern is the way that the County fund generates their premium, 35% is the assessed value of the town and 65% is the average claims history over a 5-year period. So if the Town has no claims then the premium will probably stay at a flat \$70,000 but once you start having claims, it's a self-insured program, so you have to pay for those claims and it's usually over a 5-year period. He said Broome County is one-third funded for the claims in all of their pool. That

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means that every time you have claims, you are paying about two-thirds of that claim over a 5-year period.

Pat explained that PERMA has given 2 different options. For one that starts 1/1/19, they will assess a contribution of \$96,000. For the second year, 1/1/20, the Town's premium will be no more than \$96,000 but based on your loss ratio history that year it could go down to about \$90,000. He said right now with your loss level, \$96,000 is right about their margin because below that they are going to lose money. He said if the Town's claims go down, you will be close to the price range for insurance which is close to the price range that the County is talking about. He said the concern is if you have a long term claim it will stay with you for a long time. He said with the designs of the County plan, their premium is based on your anticipated losses in one year. PERMA and the Comp Alliance protect your losses over the lifetime of claims. He said that's why there is a difference in the pricing. Supervisor Kniffen said if there are no claims through PERMA the price would go down, so he questioned if that wouldn't be the case with the County plan as well. Pat said the indication is if there are no claims it will remain at the flat fee. He said possibly if you had no claims for 5 years that might drop.

Pat said he thinks the Town should go with PERMA because they are a known entity and have been with the Town since 1996, and they just offered to reduce your premium significantly and your claim trend is going in the wrong direction. He said the Town would get the opposite affect with the County, because with them if your claims go up your premiums go up. He said he does not know if the County has someone involved in safety, but PERMA has a safety department that will work closely with you. He said the County just changed their TPA (Third Party Administrator), so the way they handle claims will change as of 1/1/19. Pat does not know how they are going to perform. Supervisor Kniffen said through PERMA we have a Safety Officer, safety seminars with our employees, etc., and questioned if Broome County has that. Pat said he doesn't know other than they said they have a Safety Officer, but he doesn't know in what capacity they act or what their capabilities are.

Pat said if you get into the County fund and it doesn't go the way you want it to go, say in five years you're not happy, to get out of that pool you have to do one of two things. If you have claims, and that's usually why you would be getting out, you have to buy those claims. The Town would have to pay for those claims in full plus a 20 percent administration fee. Option two is you would need to hire a Third Party Administrator and then you take the claims with you and you're paying that administrator to manage those claims and pay them for the life of the claimant, so that's double. You would have two contracts going at the same time.

Pat said if you leave PERMA, you do not carry any of the claims with you. PERMA finishes them up because they are fully funded and pay for the life of the claim.

Councilman Weingartner said he is recommending that we stay with PERMA and he said the big thing to him is that it helps with the funding for the full life of the claim in the future, that it doesn't hurt us. Also, he said if we stay the same, he hopes the way things are in the highway

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department now our claims are going to go down, so within a few years we'll be down to where we used to be at the \$70,000 to \$80,000 a year range. Pat responded to Councilman Grubham that the most recent claim from May of this year is included.

Councilman Weingartner said he brought this up today because if we were to switch over to Broome County for 2019 we would have to adopt a resolution by August 1st. Since the other Board members were in agreement, the Town will stay with PERMA.

20. Discussion – Request from Ward Coe to attend the New York Magistrates Association Annual Conference at the Sheraton at the Falls, Niagara Falls, NY to be held September 23-26, 2018 at a cost of \$711.55 for the lodging and meals and a \$75.00 pre-registration fee, with the State reimbursing the Town one night of lodging and mileage.

Resolution.

21. Audit of Claims.

Resolution.

22. Property Maintenance Issue.

Bob Geiger stated there is an abandoned house behind them and no one has lived there for 6 or 7 years and Chad Moran, the Code Enforcement Officer, is working on it. He said there is an 18 foot by 4 foot pool full of water with no ladder in or out that has been there for 7 years. He said they weren't too concerned until now because their next door neighbor has grandchildren around and there are steps that access the deck of the pool and the doors to the house are not locked. He said a bank has now taken over the property and Chad is working on contacting them. Mr. Geiger said the septic tank is caving in and there are trees that are jeopardizing the house and his 3-car garage. One winter 14,578 cubic feet of water filled the basement due to a pipe breaking and also the basement has been flooded during past floods, so there is a mold concern. The Geigers supplied pictures of the issues. Supervisor Kniffen said he will look at the property with Chad. In regard to the issue with the grass not being mown, Supervisor Kniffen said we have a policy in that regard and have hired people in the past to do it, so they will look at that situation as well. Councilman Grubham said if Chad can get in touch with the bank and try to get the property fenced that would be an ideal situation. The option of condemning the house will be looked at as well.