

**TOWN OF KIRKWOOD
GRIEVANCE DAY**

**2016 Water & Sewer Benefit
Unit Assessments**

October 27, 2015

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

Also Present: Oliver Blaise III, Deputy Town Attorney
Gayle Diffendorf, Town Clerk
Raymond Coolbaugh, Commissioner of Public Works

Supervisor Kniffen explained that Oliver Blaise and Budget Officer Jim Smith recently revised the water and sewer benefit unit assessments because the Board felt that through the years it had become too complex and perhaps unfair. It was also costing the Town a lot of money every two years or so to review the units for accuracy.

Terry Rychlewski of Burts Road stated she had questions regarding their properties along Route 11. She questioned if the increases were based on commercial properties only. Mr. Blaise said they were. Commercial properties were segregated from residential properties primarily because in adding the factor of usage, none of the residential properties meet the standard of usage that most of the commercial properties do. The formula for assessing residential properties was not changed. In regard to their properties, Terry said she would think they would have less usage, even though they are commercial, than most residential properties. She said their MDR Builders location is going from 6 benefit units to 15.95 units. She reviewed their water usage from 2012 through 2015 and it has not changed so she does not understand how it could go up that much with no changes. She noted that there are only 2 of them there on a very part-time basis. Mr. Blaise said he can pull their file and see why the units went up. It is possible that even though their usage has not varied, when they based their usage and put in the context of other people with similar usage, they were assessed a flat number of units which is more units than they were assessed in the past.

Mr. Blaise explained commercial unit assessments are based on 3 things; the size of the property, footprint of the building on the property and usage. This year they are substituting usage for the type of use of the property. Using various types of properties was causing issues over time. Trying to track the different uses and determining what the type of use it was, resulted in a lot of subjectivity so they tried to move towards a more objective basis. He added that it is very possible even though their usage may not have increased, it may be that their usage profile fits with the usage profile of 50 other properties that have a similar usage. In breaking down the usage into different categories they fell into the usage category that was assessed that number of units. It may also be that the assessment made in the past

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based on the size of their property or buildings was under assessed or not accurately assessed for years.

Mr. Blaise said this is not based on the value of the property. It is an assessment of the benefit units. There are two kinds of water bills. One bill is for usage and billed three times a year. The other one is for the operation and maintenance, the care of the system, all the pipes, pump stations, wells, etc. Any property that has the water or sewer lines available is considered to benefit by having that public service available. Even if the service is not currently being used, if the property were to be developed by the current or subsequent owner, the service would be available. Everyone who benefits by it is going to pay a share of the operating and maintenance costs. They have to determine how much the property is benefited from having the services available and then the property is assessed a certain number of units based on those 3 things: size of the parcel, the square footage of any buildings and the amount of water and sewer service that is being supplied on an annual basis. He said the water supply theory was based on those who are using the system should pay commensurately with how much they are using the system.

Terry Rychlewski said they don't even use the minimum and are only charged \$25 on all the properties. They have 4 parcels that the units are changing on and she cited specific water usage over the past 4 years for them. It appears to them there may be inaccuracies in their water bills. John Finch Jr., Chief Water Treatment Plant Operator, said he will look into this.

Terry and Mike Rychlewski asked numerous questions specific to their properties and Mr. Blaise responded that he would have to review their file before he could answer them.

Mike Rychlewski asked what the definition of a unit is. He said he was told when he built his building on Route 11 that a unit would be the capacity to build a building at 100 foot increments down the road. Supervisor Kniffen said a unit is 100 feet and a portion thereof is a unit, so 150 feet would be 1 ½ units. Mike asked how that has changed. Mr. Blaise said it is now not just based on road frontage, but the over-all size of the property. In the Water and Sewer Unit Assessment Guide it sets out how those units are assigned for each type of property, residential, commercial and industrial. He said basically the only thing changing is the water usage. It used to be based on square footage of the buildings, size of the parcel and the type of use. The first 2 things have not changed, but instead of the type of use it is now determined by consumption.

In regard to property on Route 11 at the state line, Mike said he purchased the property and removed the building but the unit assessment still went up. Terry added that there is no usage of water on the property. Mike said he realizes that the service is there and they have

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to pay for that but he is questioning why the units went up. Mr. Blaise responded that he would have to review the file.

Mr. Blaise noted that he received emails from some people that could not attend this meeting.

Terry Rychlewski said she realizes they are doing this to try to make up for the budget to come up with the percentage. Supervisor Kniffen said that is not the case. This was done because they felt it was so complicated. He compared doing this to when the Town did a 100% revaluation some years ago. There was a concern how it would affect people, knowing that some assessments would go up, down and stay the same. At that time it was determined that it would most likely be about 1/3 in each case and he feels that probably applies in this situation. Mr. Blaise said that was a good analogy, since when a property reval is done the town is not making more money, the town still raises the same amount of money for taxes but they are changing how it is divided up amongst the people who are paying taxes since some might have been under assessed and some might have been over assessed. In this case the town still needs to raise the same amount of money to support the operation and maintenance costs of the system but they are trying to make sure everyone who is paying a portion of those costs is assessed fairly. He said their goal was to have everyone affected by less than 10% from their prior year's water bill, although they could not get everyone within that 10%. When they came up with the use categories for usage, looking at the impact on the whole spectrum, it basically came out like the perfect bell curve in that 75% of the accounts were in that 10% range. 12 ½% saw more than a 10% drop in their assessment and 12 ½% saw more than a 10% increase. So 87 ½% of the accounts saw no more than a 10% increase. This is why they felt it was a fair system across the board with the understanding that not everyone would be happy. Supervisor Kniffen added they would never mess with the budget as far as taxpayers helping them to meet the cap because they are trying to keep the money raised by taxes lower. Mr. Blaise added that the Town is not making any money from putting this new system in place.

In response to Mike Rychlewski, Supervisor Kniffen said the growth population of Kirkwood is decreasing as it is in all of Broome County. He said if people move out it may affect the tax rate because if there is less property value the rate must be raised to make up the difference.

Mr. Blaise said they will be looking at mathematical or computation errors. He added this was only done for commercial properties because the residential properties are basically set. Historically they don't adjust the residential properties, which are the majority of the parcels in the town, unless an addition is put on or the parcel is split in half for example.

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Mike said he is still questioning the category they got into to inherit all the additional units. Mr. Blaise said they are getting away from the categorization of the use of the properties. It is now just water usage as well as the size of the property and buildings.