

**CITY COUNCIL WORK SESSION  
CITY OF WATERTOWN  
February 9, 2026  
7:00 p.m.**

**Mayor Sarah V.C. Pierce Presiding**

**Present:** Council Member Shane A. Garrabrant  
Council Member Robert O. Kimball  
Council Member Douglas E. Osborne, Jr.  
Council Member Benjamin P. Shoen  
Mayor Sarah V.C. Pierce

**Also Present:** Eric F. Wagenaar, City Manager

**City staff present:** Michael Lumbis, Geoffrey Urda, James Mills, Erica LeClerc, Kimberli Johnston, Joseph Albinus, Aaron Harvill, Tom Compo, Patrick Keenan

**DISCUSSION**

**Community Development Block Grant (CDBG) 2026-2030 Consolidated Plan and 2026 Action Plan**

Planning and Community Development Director Michael Lumbis began his presentation with an overview of the Community Development Block Grant program and a summary of the funding allocations over the last five years. He explained to Council that, although there is no competitive application process, the City must comply with program requirements, which include a Consolidated Plan, an Annual Action Plan, a year-end Consolidated Annual Performance and Evaluation Report (CAPER) and administering the program according to federal regulations in a timely manner.

Mr. Lumbis reminded Council that the primary purpose of CDBG funds is to benefit low- to moderate-income (LMI) persons and he noted each funded activity must either benefit those LMI persons, aid in the prevention of slums and blight or meet a particular urgent need. He then listed potential eligible activities as well as limits on spending in certain categories, such as administration. Next, he explained various activities that would be ineligible.

Displaying a map of the CDBG target areas for 2025, Mr. Lumbis indicated that infrastructure projects such as sidewalk replacement or street projects would have to be in areas that meet the Area Benefit requirements. He then displayed a map showing the locations of CDBG projects from 2014-2025.

Mr. Lumbis then detailed the City's spending of CDBG grant funds over the last five years, noting that 48% of the funds were spent on critical infrastructure, 32% on housing programs, 11% for other infrastructure, 6% for program administration and 3% on a combination of homeless assistance, public services support and fair housing. He went on to explain some of the ways funds have been applied to housing including owner occupied rehab, rental rehab and the homebuyer program and listed some of the infrastructure projects completed.

Mr. Lumbis then offered a list of tasks that need to be completed this year for the CDBG program and presented a schedule for the next three months. He then suggested Council offer their ideas and suggestions regarding the needs of the community and proposed allocation of funding.

Mayor Pierce proposed moving “decent affordable housing” from high priority to low priority since there are already a number of affordable housing projects under way in the City.

Council Member Garrabrant commented that infrastructure needs to be the highest priority, adding that housing programs are nice, but infrastructure gives the City more bang for its buck and this winter has emphasized the need.

Mayor Pierce commented that the first-time homebuyer program could be replaced by local banks offering similar programs. She asked what the demand was for these programs and whether there was a waiting list.

Mr. Lumbis replied that there is demand and a short waiting list. He commented that the ultimate goal to offering these housing programs is to encourage home ownership, which benefits the City. He noted that around 40% of households are owned while 60% are rented and he suggested these programs could work toward flipping that.

In response to Council Member Kimball’s question of whether home ownership projects do anything to eliminate blight, Mr. Lumbis commented that CDBG funds can help but suggested that programs like Neighbors of Watertown have more money to contribute to rehabilitation programs.

Mr. Lumbis reviewed the CDBG program goals, listing the higher priority goals first, and noted that it was good to have varied goals which would allow flexibility.

Mayor Pierce agreed that it was good to keep the goals broad.

Council Member Shoen raised the topic of ADA ramps and commented that some streets have ADA ramps that have been replaced multiple times while some neighborhoods do not have them at all. He suggested that it would be desirable to have sidewalks replaced when the ADA ramps are installed to improve mobility. He expressed a desire for some consistency in the ramp replacement.

Senior City Planner Geoffrey Urda explained that in 2017 Clarkson undergraduates surveyed the City’s ADA ramps and scored them based on their condition. He indicated that staff still work from that list using the scores to choose locations. He also reminded Council that CDBG has different rules for sidewalks and ramps, noting you can fund a ramp anywhere, but sidewalks must be in the target areas. He noted that, whenever possible, sidewalk projects are married with ramp projects.

Council Member Shoen asked if any studies have ever been done to see if street rehabilitations have had positive effects on neighborhoods, such as improving property values.

Mr. Lumbis indicated that the properties have improved.

In response to Council Member Shoen’s question of whether anything could be done with CDBG funds to encourage in-fill building in vacant lots, Mr. Lumbis said this might be possible, particularly in conjunction with Habitat for Humanity.

Mr. Lumbis listed the proposed fund allocation for projects for 2026 and noted staff are working with the Water Department and the City Manager to find an area to focus on. He cautioned Council that the \$800,000-\$900,000 the City receives from CDBG is not enough to complete an entire project but is meant to assist with costs. He also reminded Council that the funds must be spent in a timely manner.

Mr. Urda added that it could jeopardize future funding if the projects fail the timeliness test. He also cautioned that any project over \$200,000 is subject to Section 3 federal spending conditions.

Mr. Lumbis drew Council's attention to the proposed allocation of funds for 2026.

Regarding the homebuyer program, Council Member Garrabrant asked how many units would be assisted with the proposed \$320,000 allocation.

Mr. Lumbis replied the funds would cover eight properties.

Mayor Pierce suggested raising the allocation for infrastructure and lowering the allocated amount for the homebuyer program.

Mr. Lumbis said adjustments could be made.

### **2026 Budget Kick Off**

City Manager Eric Wagenaar addressed Council to say that this is the first time the preliminary budget numbers had been delivered to Council this early but also advised that budget preparations never really end. He noted that department heads delivered their budgets in January and staff intend to have a completed budget ready to present in mid-March, which is a month early.

City Planner Geoff Urda's PowerPoint presentation offered a snapshot of the community which the City of Watertown is budgeting for. He presented slides showing: City infrastructure, a population overview from 2000-to present and population circumstances unique to the City of Watertown. He pointed out that 44% of the City's housing stock was built before 1939. He also noted what he referred to as the "missing middle" when it comes to rental units, indicating that there are low-income units and units priced to correspond to military BAS housing allowances with very little in between.

City Manager Wagenaar indicated that this year's budget is also addressing City facilities, noting that, in recent years, no significant amount of money has been spent on them.

Mr. Urda then listed the needs of the community based on the existing conditions. He listed these needs as: housing, critical infrastructure, public transportation, access to groceries and childcare.

City Manager Wagenaar explained how the budget is developed, noting that staff attempts to prioritize the most critical needs. He also indicated that there are risks in any budget as decisions are made as to what is a must and what can wait until a future budget.

Mr. Urda stressed that the budget is a work in progress as staff consider all the existing conditions and then prioritize needs. He noted that when the Comprehensive Plan was being created, there were public open houses and hundreds of people attended, giving much appreciated insight into the needs of City residents. He indicated a streamlined list of four strategic goals.

Mr. Urda also informed Council of the workforce commuting patterns in the City of Watertown, pointing out that more than 11,000 people live outside of the City but work in the City, placing demand on City services.

City Comptroller James Mills presented a chart showing taxable assessed property values over the last 10 years. He indicated this created the framework for where the City stands at this time. He then showed

a list of New York State cities and their tax rates, noting that the City of Watertown is not that bad comparatively, ranking 45<sup>th</sup> overall. He then displayed slides on the property tax levy history and sales tax revenues.

Mr. Mills explained the statutory parameters set by New York State on the property tax cap, constitutional tax limit and constitutional debt limit. He noted that the 2026-27 tax cap was projected to allow for a 3.5% increase without a tax-cap override law adoption. He also explained that the City is only using 28% of its limit for tax levy capacity. Lastly, he informed Council that the City only uses 18% of its debt limit, which could allow for \$74 million more dollars in debt issued.

Referring to a slide showing Governor Hochul's Executive Budget, Mr. Mills indicated the budget figures for the City of Watertown were being maintained at the current level and these figures were as good as could have been hoped for.

Mr. Mills then informed Council that many of the budget costs are driven by external factors such as the New York State Retirement system. Reminding Council that the General Fund is not a revenue source, Mr. Mills indicated that 74% of the General Fund expenses are for the people. He went on to explain the largest internal cost drivers, which include personnel costs and debt service.

Stressing to Council that the numbers represent a very rough estimate, Mr. Mills displayed a slide showing the 2025-26 expenditure budgets. He also noted that revenue is predicted to remain flat.

Lastly, the budget timeline was presented.

Mayor Pierce thanked the entire staff for putting this presentation regarding the budget together.

Council Member Kimball commented that it appeared the City was not going to increase its tax base enough through development and wondered if there was a timeline for equalization.

City Assessor Kimberli Johnston indicated that this process takes several years and may require the hiring of a consultant.

Council Member Osborne asked if a comparative analysis had been done to the costs for the City to convert to a group health care program.

Human Resources Manager Erica LeClerc informed Council that the City has engaged with a broker to discuss options, but more and more municipalities are getting away from group programs and self-funding their health insurance. She noted that the City is contractually obligated to offer health insurance to its retirees.

Responding to Council Member Kimball's questions regarding soaring retirement costs, Mr. Mills indicated that a lot of the retirement issues are blamed on the pandemic, which caused many people to take early retirement.

Council Member Shoen expressed his concerns with potential tax levy increases indicating that the City's business model is not sustainable as it stands.

He stated that the public wants more from the City than to just employ people. He suggested that the City is running a business that is set to fail. He asked if employees in the higher brackets could be encouraged to retire.

City Manager Wagenaar stated that was not a conversation anyone wants to have.

Mayor Pierce commented that small line-by-line budget cuts were not going to work to bring the budget expenditures down and agreed that staff cuts may be necessary. Additionally, she encouraged the public to provide Council with feedback.

Council Member Shoen suggested that there are situations where the City is providing services due to the mandates of other entities. He indicated these services cost the City taxpayers money with no reimbursement. He noted this makes a significant impact on how the City operates and said the City should be compensated.

Mayor Pierce asked for a complete list of tax-exempt properties and what the taxes on those properties would be if not for their tax-exempt status.

City Manager Wagenaar indicated that would be an easy list to provide.

Council Member Kimball agreed with Council Member Shoen, noting there is no way to reduce expenses without economizing on staffing.

Work session ended at 9:05 p.m.

**Motion was made by Council Member Robert O. Kimball to move into Executive Session to discuss the employment history of a particular individual.**

**Motion was seconded by Council Member Benjamin P. Shoen and carried with all voting in favor thereof.**

Council moved into Executive Session at 9:07 p.m.

Council adjourned at 9:13 p.m.

### **ADJOURNMENT**

**At the call of the chair, meeting was duly adjourned at 9:13 p.m. by motion of Council Member Benjamin P. Shoen seconded by Council Member Robert O. Kimball and carried with all voting in favor thereof.**

*Lisa M. Carr*  
Deputy City Clerk