

**CITY COUNCIL BUDGET SESSION  
CITY OF WATERTOWN  
March 30, 2026  
5:30 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:** James Mills, Erica Anderson, Charles Donoghue, Cristin Lyon, Erica LeClerc, Matthew Timerman, Michael Kellogg, Aaron Harvill

**DISCUSSION**

**Multi-Year Financial Forecast** – pages 310 - 320

City Manager Eric Wagenaar opened the presentation by acknowledging that he understands the high costs impacting City residents these days and explaining his thought process for building a budget and determining cuts while focusing on critical City services.

City Comptroller James Mills offered a review of the Multi-Year Financial Forecast. He explained in detail how he builds his model and projections for the outgoing years. This would include his assumptions used for revenue items (page 315), such as property taxes, real property tax items, sales tax revenue, other non-property taxes, department income, State aid and Federal aid. He pointed out that the effect of the hydro cliff now appears on the five-year plan in FY 2030-31 and that this year's proposed budget includes an approximate \$200,000 subsidy for the refuse program, even with the proposed 5% fee increase. He summarized that revenue growth will be slow, especially when property taxes and sales tax are increased by 2% and the State aid is held frozen at the FY26/27 level.

Turning to the expenditures listed on page 316, Mr. Mills noted that they are shown two ways (by component and by function) and he gave explanations for both. He reviewed his assumptions about personal services, equipment and contractual expenses, debt service and employee benefits. He referred Council to pages 262- 263, which lists existing debt service and projected debt service in the outlying years. He reminded Council that if there is not support to bond for a project in the outlying years, it should be discussed and potentially removed from the capital plan. Lastly, he indicated that expenditures are growing larger than the forecasted revenues.

On page 317, Mr. Mills pointed out that the fund balance is expended to finish FY 25/26 at \$15,689,612, which is approximately \$1.9 million appropriated and \$13.768 million unappropriated. He then explained the estimated appropriation of fund balance for the proposed budget and the effect of the declining availability of fund balance in future years of the multi-year plan. He noted that a minimum of \$11,7 million is needed in the fund balance to pay for the operating costs throughout the fiscal year, since a large amount of revenue (May and June sales tax and Aim funding) is received in the later part of the fiscal year. He warned that his minimum fund balance amount prevents the City from having to

borrow against future revenue for operating costs. He also advised that if Council makes a cut in the proposed budget, that it considers adjusting the fund balance appropriation and not the levy.

In regard to employment costs, Mr. Mills advised that the State is looking to enhance Tier 6 of the NYS Retirement, which will increase the City's liability, and he confirmed for Council Member Shoen that the union contracts have wage step increases averaging approximately 4% in addition to the approximately 3% annual cost of living wage increases.

Council Member Shoen stated that one-time equipment costs will not help with the budget gap and there will need to be additional staff cuts, which he estimated at 15 positions, in order to reduce long-term liability. He commented that staffing and retirement costs continue to rise significantly.

In response to Council Member Kimball's question, Mr. Mills briefly discussed the Water and Sewer Fund Multi-Year Plan listed on pages 319-320 and confirmed the rates increase takes into account the granting funding awarded to the City. He also reviewed the debt service for the Water Fund that is listed on page 288.

**Police** – pages 78 - 86

Police Chief Charles Donoghue and Police Captain Cristin Lyon were present for the review of the Police Department's proposed budget.

Chief Donoghue began by addressing the increase in proposed overtime amount, providing the reason and stating that it is offset by grant money listed in the revenue section of the budget. In regard to equipment purchases, he reviewed the requests to purchase four patrol cars, a K9 vehicle, an evidence van and a special response team (SRT) vehicle, which are listed on pages 84-85. He discussed the condition of the current vehicle and why they need replacement. He also mentioned the need to replace special response team ballistic vests (page 86), stating five were replaced last year and five will be replaced this year.

Moving onto contracted services, Chief Donoghue highlighted the items that had significant increases or decreases and provided the reason for each. He reviewed the following items: records managements software maintenance, fingerprinting machine maintenance/licensing, body worn cameras and storage, in-car video systems, universal forensic extraction device license (50% reimbursed by District Attorney's Office) and public safety building maintenance. In the fees, non-employee category, he pointed out the increase in K-9 expenses due to replacing the current K-9 because of retirement. He expressed concern about the estimated gasoline expense being higher due to the recent increase in the price of gas and mentioned the need for rifle and taser replacements. He pointed out a new item, which is an electronic evidence storage unit and will be a one-time purchase. Lastly, he noted the cost for the installation of electronic school speed signs that were previously purchased and the upgrades to be done to the shooting range.

Council Member Osborne asked if reducing the number of times an officer goes to the shooting range would decrease overtime.

Chief Donoghue advised that they try to have an officer go to the range twice per year, even though once per year is required for accreditation, and he explained it is done while the officer is on their normal patrol shift to minimize the impact on overtime.

In response to Council Member Kimball's inquiry, Captain Lyon provided an update on the backlog of receiving vehicles that have been ordered.

Chief Donoghue discussed current staffing levels and the time it takes for a recruit to attend the Police Academy prior to performing the duties of the position on their own.

The K-9 program was discussed and Chief Donoghue indicated that there are current two in service, but one K-9 Officer and K-9 dog is retiring. He said that the department added a therapy dog, but this program is less expensive than the traditional K-9 program.

Chief Donoghue also responded to questions about the SRT vehicle, and the vehicle used by the County for Special Response, as well as the questions regarding the electronic school speed signs. It was noted that money has already been spent on the electronic signs, which would be wasted if the signs were not installed.

In response to Council Member Pierce's inquiry regarding the evidence van replacement, Captain Lyon explained the reason for the request. She stated there are no current issues, but it takes quite a while to receive after it is ordered, and it is recommended that it be replaced every ten years. She added that the need to replace it is not as high as the need to replace the SRT vehicle.

Council Member Osborne asked about the expense of the public safety building maintenance and Mr. Mills explained the details of this commitment.

Captain Lyon mentioned the work needed for parking lot and sidewalk improvements, new signage and parking garage repairs.

**Fire** – pages 87 – 93, page 278

Fire Chief Matthew Timerman and Deputy Fire Chief Michael Kellogg were present for the review of the Fire Department's proposed budget.

Chief Timerman explained that he will point out to Council the major highlights of this budget and the items that had changes from last year. First, he discussed the cost of overtime increasing due to on-the-job injuries and long-term sick leave and then he noted the increase in utilities cost. He pointed out that he only has control over the operating expenses and equipment costs, which make up 6% of this budget, and reflect a 2.4% decrease from last year. He mentioned the following line items and the reason for the change from last year: miscellaneous building expense, water rescue outboard service/repair, OSHA physicals, firefighter training, insurance, training supplies, medical supplies, fire prevention supplies, and turnout gear. He also reviewed in detail the need for the following equipment: water rescue outboard motor (page 92) and thermal imaging camera (page 93). Lastly, he referred Council to the capital budget and the request for a Fire Engine (page 278).

The cost of overtime was discussed at length and Chief Timerman indicated that it is very difficult to predict. He noted the upcoming retirements which will occur this year and next year and he reviewed the timeline and training needs throughout the Fire Academy.

Council Member Shoen expressed concern with overtime costs not decreasing, as promised, with the addition of four more positions last budget.

Chief Timmerman reminded Council that overtime costs have also gone up because wages have gone up as well. He also explained reasons why the overtime did not go down even though four additional firefighters were hired, and he warned that if the extra positions were not added, the overtime cost would have been even higher.

Discussion regarding overtime and the additional positions added in the last budget ensued further and Chief Timmerman was asked to provide additional information regarding this and the effect that vacation time has on overtime.

Council Member Garrabrant also asked for information regarding overtime in hours versus dollar amounts.

Discussion turned to the request for an outboard motor and the water rescue boats, as well as the sidewalk repairs needed.

Council Member Shoen wondered if the City could save money by using less graphics on the fire vehicles, noting that the top of the roof of one of the vehicles is painted black. He said he would like only the necessary graphics used.

Chief Timmerman stated he could provide Council with additional information regarding the cost of graphics on the fire vehicles.

Turning to the capital budget, Council Member Shoen suggested removing the kitchen upgrades at Station #1, window replacements at all of the stations and the storage building, noting all of these are scheduled for future years.

Council Member Kimball asked for a list of all the vehicles and apparatus of the Fire Department.

Council Member Pierce agreed with Council Member Shoen's suggestion to remove the capital projects. She noted the standby generator at Stations # 2 and 3 are probably necessary and she wondered if the City could partner with the County or if there were other options for the storage needs.

### **Tax Cap Limits**

Mr. Mills reminded Council that it will be asked at the next Council Meeting to set a public hearing regarding overriding the tax cap. He explained that it does not mean that the City will necessarily override the tax cap, but it provides the public with an opportunity to provide their input.

Council Member Kimball noted that the tax cap, as set, is almost unworkable because the City's contractual wage increases already exceed the tax cap. He added that there have also been increases in health insurance and retirement costs.

Mr. Mills agreed that the State's limits are unrealistic. He referred Council to page 4 and explained the property tax cap calculation.

Further discussion about fund balance standards occurred.

Budget session ended at 7:10 p.m.

*Ann M. Saunders*  
City Clerk