

CITY COUNCIL WORK SESSION
CITY OF WATERTOWN
April 12, 2021
7:00 p.m.

Mayor Jeffrey M. Smith Presiding

Present: Council Member Ryan J. Henry-Wilkinson
Council Member Lisa A. Ruggiero
Mayor Jeffrey M. Smith

Also Present: Kenneth A. Mix, City Manager

Absent: Council Member Sarah V. Compo

City staff present: Michael Delaney, James Mills

DISCUSSION

Energy Audit Overview

Adam Tabelski, Municipal Services Manager of Wendel Companies, began the presentation by introducing his colleagues, Keith Krug, Principal-in-Charge and Tim Dietrich, Project Manager. Mr. Tabelski then presented Council with an Energy Performance Contract Project handout (on file in the City Clerk's office). He reminded Council that the current National Grid contract will expire in ten years. He informed Council that the point of tonight's meeting is to explain the methodology and findings of the audit. Mr. Tabelski then explained to Council that this is a "turn-key project," which means it lowers operating budget and increases revenue which should pay for the project, and that savings and revenue are guaranteed. He advised Council that, during the last year, Wendel Companies had energy engineers tour building sites and meet with City Engineer Michael Delaney and staff. He told Council there were several potential energy-saving opportunities discovered and noted that the City's current utility bills were reviewed. He explained that all this information was then put together to come up with a good plan for the first phase of the comprehensive project.

Mr. Dietrich reviewed the utility analysis and reminded Council that the current contract with National Grid is unique with a favorable rate. He summarized how power consumed in City-owned facilities are being consumed at a rate equal to the power purchase agreement. He turned Council's attention to the utility analysis, which is broken down for the first nine years, the going Power Purchase Agreement rate. Then, in year ten, after the contract expires, the City-owned facilities will revert to a standard service class 3 rate. He then informed Council that one of the things they discovered during the tour of facilities is that lighting can be greatly improved upon. He suggested that lighting can be replaced with much better high-efficiency LED lights. He added other potential improvements could be, but are not limited to, weatherization improvements in City Hall, Massey Street Fire Department, State Street Fire Department and Mill Street Fire Department. He highlighted that windows in City Hall need replacement, noting the windows are original to the building and they leak and are drafty. He pointed out that replacing them would not only save money but improve the comfort within City Hall. Mr. Dietrich then explained in detail that most of the facilities are running on outdated heating/cooling units which are energy hogs. He noted that upgrading the units will allow the units to perform at a much more cost-effective manner and at a much better quality. He pointed out that the current systems are so outdated that it is getting harder to find replacement parts. He also discussed the retro-commissioning of

the Ice Arena, noting that the heating and ice cooling units at the facility are both very complicated systems. He confirmed that after doing the audit and the walk-thru inspection, the Arena could offer great savings to the City with upgrades.

Mayor Smith asked why water and sewer were not included in this audit, considering they are number one or two of energy use in the City.

Mr. Tableski commented that is a good point considering the amount of energy it takes to run the facilities but indicated that as they started conducting the energy audit, the City was more concerned about facilities that operate out of the General Fund and Wendel was not instructed to look into those facilities.

Mayor Smith brought up the fact that there is little to no insulation in City Hall. The topic was then discussed at length along with the pros and cons to installing insulation at City Hall, with Council agreeing further analysis needs to be done on the topic.

Mr. Tabelaiki drew Council's attention back to the handout and discussed the energy audit economic summary chart along with the energy and operational savings and capital needs. He also reviewed the project economics and confirmed that a total project cost would be roughly \$2,054,839 with a 20-year term and an interest rate of 2.0%. He discussed at length the next steps to implementation and the design phase.

City Manager Kenneth M. Mix informed Council that they are interested in pursuing the company's suggestions, then the City can keep discussions going with Wendel and come up with a game plan as to which designs to use and then return to present them to Council.

Mayor Smith and Council agreed.

\$23 Million Federal Relief Funds/American Rescue Plan

City Manager Mix presented Council with the most current information on the American Rescue Plan Fund. He started by informing Council that there is still not a lot of information available but stated that the City must start thinking about what direction they want to go for spending those funds.

Mayor Smith advised Council that he had spoken with Senator Schumer's office and was told that the treasury is going to take the full allotted time to come up with the regulations, which means the first check should arrive sometime in the beginning of May. He added that Schumer's office indicated that many communities would be asking the same questions regarding how to spend the funds so the treasury will be trying to work with communities to offer some flexibility in how they can spend the funds.

Mr. Mix told Council that the American Rescue Plan (ARP) will be allotting the City \$22,953,022. He noted this is a preliminary number and the City will receive half of the money by May 10, 2021 and the rest a year later. He stressed that all the money must be used by December 31, 2024 and added that it is not clear whether that means the money must be spent or just obligated. He said that, as of right now, the funds can be spent to respond to public health emergencies with respect to COVID and the negative impacts it has had on the community. He added that the funds can also be used for the provision of government services to the extent that there was a result of reduction in revenues. He stated that this includes revenue collected in the most recent full fiscal year prior to the emergency or to make

necessary investments in water, sewer or broadband infrastructure. He discussed at length the water and sewer projects for 2021-2026 and pointed out that if Council wants any of these projects to be included, the City needs to know which direction to go. He informed Council that for many of the potential projects to be completed, the City will need to hire engineering firms. He also explained that, with many municipalities doing the same thing, engineering firms will likely be very busy. He also pointed out that to oversee these projects, more staffing could be needed in the City's Engineering Department.

Discussion turned to the potential construction of an amphitheater in Thompson Park. Mr. Mix then suggested to Council that he would like to leave tonight's meeting with some direction in the way Council would like to proceed. He explained there are other funding sources which could be used for this project but there needs to be some plan put into effect in order to request the funding.

Mayor Smith stated that he had spoken with former Mayor Joseph Butler who is now the Civilian Aide to the Secretary of the Army for New York. He noted that former Mayor Butler had informed him that the funding announcements are expected to come out at the end of the month and that conceptual designs for the amphitheater will need to be presented. He added that Garrison command is aware of the City's intention to put in a bid for the amphitheater and that the City has full support for the project. Mayor Smith noted he fully supports going ahead with the RFP (request for proposal) process as soon as possible.

Council Member Henry-Wilkinson and Council Member Ruggiero both agreed with Mayor Smith.

Mayor Smith questioned if engineers would be needed for all the projects listed.

Mr. Mix explained that they were needed since most municipality work must be stamped by an engineer. He did note that it is possible some of the projects could be done by City staff.

Mayor Smith discussed that investing in Thompson Park is great for the community and the City needs to come up with ideas to keep the Park a vital entity within the City.

Council Member Ruggiero said she agrees with Mayor Smith but suggested there needs to be a happy medium on ways to spend for both the Park and water and sewer.

Mr. Mix and Council talked at length about the many opportunities and benefits the grant money could bring to the City and cited examples such as Thompson Park trails and landscape restoration, the old bathhouse and ice surface, Zoo improvements, streets, Fairgrounds artificial turf field, Northside Splash pad, Waterman Drive and the Sewall's Island project just to name a few.

Mr. Mix reiterated that he would like to have a number to start with for water and sewer.

Council Member Henry-Wilkinson suggested that he would start with a cost of \$2 million for water and sewer.

Council Member Ruggiero added her agreement and suggested maybe even starting with \$3 million or \$4 million.

Mayor Smith conferred with Council and all agreed that \$3 million was a good starting point for water and sewer.

Mr. Mix indicated that this was a good number to start and informed Council that he will put together a priority list for the Water/Sewer projects and proposals for the amphitheater.

Work session ended at 8:20 p.m.

Margaret M. Puccia
Deputy City Clerk