

**CITY COUNCIL WORK SESSION
CITY OF WATERTOWN
February 14, 2022
7:00 p.m.**

Mayor Jeffrey M. Smith Presiding

Present: Council Member Patrick J. Hickey
Council Member Clifford G. Olney III
Council Member Sarah V.C. Pierce
Council Member Lisa A. Ruggiero
Mayor Jeffrey M. Smith

Also Present: Kenneth A. Mix, City Manager

City staff present: Patrick Keenan, Michael Lumbis, Michael Delaney, Peter Monaco

DISCUSSION

YMCA

Mayor Smith welcomed Denise Young, YMCA CEO and David Zembiec, JCIDA CEO, and gave them the floor.

Mr. Zembiec thanked the Mayor for the opportunity to address Council regarding their request for as much funding as the City can provide to their new YMCA project. He reminded Council that the project is an important project for downtown Watertown both for jobs and in making use of a large vacant building. He noted they understood the restrictions the City was dealing with regarding ARPA funds but hoped there would be some way the City could find a way to make the Y a beneficiary, adding that the City should be a partner in the project to the extent that it is able.

Mayor Smith noted that the ARPA funds could be used for infrastructure.

Council Member Olney commented that when he had his tour of the proposed addition to the YMCA project site, he had suggested that the City staff could do some of the work and offset some costs. He asked if the City would have the manpower to do that.

Mr. Zembiec informed Council that it was priced out for others to do the work, not City staff.

Turning attention to the water and sewer lines, Mr. Mix indicated that the City lines go under the addition site, but they are in good condition and that these lines would be moved solely for the purpose of construction. Because this is the case, he added, the ARPA funds would not consider that necessary infrastructure repair. He explained that an email had been received from Attorney Slye expressing his opinion that any reconstruction of those lines would be a gift.

Mayor Smith clarified that the opinion email sent by Attorney Slye states that restrictions set by the State would prohibit the City from moving those lines because it would be considered a gift. He added

that this would be the sort of work that, in other cities, an Urban Renewal Office would handle, but this City does not have an Urban Renewal Office.

Mr. Mix further explained that anything involving economic development can not be paid for with municipal funds and that is why the City uses things like LDCs and Urban Renewal offices to handle those projects. Mr. Mix added the water/sewer line work that the City is currently paying for with ARPA funds are lines that either have breaks, need repairs or are so corroded that the water flow is significantly reduced – lines that are at the end of their lives.

Council Member Olney asked if the ARPA funds could not be used because this was a private business.

Mr. Mix reiterated that there is a New York State Constitutional prohibition against giving away funds.

Council Member Ruggiero suggested that an organization such as CAPC might be able to receive funds for such a project as opposed to an organization that was member-only like the YMCA.

Mr. Mix explained that CAPC can receive funds through a Public Benefit Service Agreement and explained the details and requirements of this type of agreement.

Mr. Zembiec asked if CDBG funding could be applied.

Mr. Mix explained there are even more restrictions on those funds and that a case would have to be made that the funds benefitted low to moderate income.

Ms. Young stated that the Y could do that as they provide scholarships for low to moderate income families and offer many programs that benefit the community.

In response to Council Member Ruggiero's question about whether the CDBG funds had already been allotted, Mr. Mix said the funds for the upcoming year were set to be discussed next Tuesday.

Mayor Smith indicated that the Council, at that time, would be asked to approve the distribution of CDBG funds in a broad packet of categories.

Mr. Lumbis clarified that the mapping areas for CDBG did include downtown so there was a possibility those funds could be applied to the Y project adding that, in order to do so, the Y could show that more than 51% of the individuals who would benefit were low-to-moderate income.

Acknowledging that the numbers provided by the YMCA are estimates, Council Member Olney asked when Council would be presented with hard numbers.

Ms. Young stated that the job would be put out to bid in April but noted that these numbers were strong estimates.

Council Member Olney reminded Council that the Court Street project has nearly doubled in cost raising questions about the contract bidding process. He suggested that if a contractor came to his house and gave him an estimate for a job, then later doubled the cost, no one would pay that. He inquired as to why the Y was asking for money before they had hard numbers.

Mr. Zembiec stated that the JCIDA and the YMCA are very comfortable with these numbers adding that they are good estimates.

Mayor Smith added that the company doing the estimates, Purcell Construction, know their business and their estimates could be trusted. He noted that costs can increase in a job and that it was not unique to the City, it can happen to a homeowner as well.

Council Member Olney reminded Council that the Municipal Arena costs had gone from \$8 million to \$11 million. He reiterated that he does not understand why costs jump after a project cost has been determined, adding that when a contractor bids, that is the price you pay.

Ms. Young stated they had reduced the scope of the project to decrease costs.

Mr. Zembiec added that they had made numerous trims to the project.

Council Member Olney acknowledged that he realized that they were settling for less.

In response to Council Member Ruggiero's question as to the Y's financing lender, Ms. Young confirmed that it was Watertown Savings, but the financing had not yet been approved and if the bid came in higher than the projected \$27.5 million, they would be in trouble. She explained this was the reason they are seeking support from the City and to learn what portion of the funding the City could cover. She stated that she hoped the City would find a way if a way were to be found.

Council Member Olney reiterated his belief that since the Y set the bar for a \$27.5 million project, that is where all the bids will come in.

Council Member Ruggiero asked how many jobs the new YMCA would provide.

Ms. Young clarified that it was important to remember that they were saving jobs, noting the pool at the current Y location is at the end of its life, and building the new swim facility will save those jobs. She stated that there would be approximately 15 new jobs, but the project would help retain 70 jobs.

Mr. Zembiec added that more jobs could be created in the downtown area as retail and restaurant business increases around the project area. He noted the City had done a phenomenal job with the streetscape project in luring more businesses downtown and added he hoped the Y project would do the same.

In response to Council Member Olney's question about what would happen to the old Y building, Ms. Young informed Council that it would be used for the administrative offices.

Council Member Ruggiero asked if the current level of YMCA membership would support the increased costs.

Ms. Young replied that it was imperative to increase membership and added that the feasibility studies done before the project indicated they were fully prepared.

In response to Council Member Ruggiero's question as to what the actual dollar amount the Y was requesting from the City, Mr. Zembiec stated they wanted as much as the City was able to provide and then they would be looking to Jefferson County to match the amount.

Council Member Pierce suggested the County faces the same restrictions with the ARPA funds as the City does.

In response to Council Member Olney's question as to how many members the Y would need and Council Member Ruggiero's question regarding the current membership total, Ms. Young said they currently had 10,000 members and they want to increase to 14,000. She reiterated that the YMCA is a not-for-profit organization whose sole purpose is to strengthen the community, mentioning again their scholarships and childcare provisions as well as the support groups and programs offered.

Mayor Smith stated for the record that he is a member of the YMCA and can not speak highly enough about the organization. He thanked Ms. Young and Mr. Zembiec for their time.

DPW Facility

Patrick Keenan, DPW Superintendent, began the discussion by stating that what the department needs most of all is to address its immediate needs and to find a path forward. He added that they wanted direction so they could start making plans for their capital budget for the next 10 to 15 years.

Peter Monaco, Assistant DPW Superintendent, addressed Council listing the conditions of the current DPW building noting the age of the elevator, which is original to the structure, built in 1880, which makes it hard to find someone to repair it. He mentioned the boiler had been brought from the old City Hall on Court Street when it was demolished in 1963.

On reviewing the package of information provided by DPW (on file in the City Clerk's office), Mayor Smith suggested there were only two viable options for the development of the department: their existing location and the Water Street location.

Mr. Keenan stressed that the department prefers to remain in their existing location and acquire the adjacent National Grid property.

Mr. Mix indicated that, although the space available at the Water Street location does appear to make it a viable option, it is misleading as that area has severe grading differences, up to 40 feet in some areas. He stated the area does not actually have much in the way of development potential.

Mr. Monaco explained that the current location is more central to the City operations and that it is actually a long drive out to the Water Street location.

Council Member Ruggiero noted that since acquiring the National Grid property is key to the project, it would help to know what National Grid is going to charge.

Mr. Keenan commented that the City had made inquiries but they would like Council's approval to go forward with this plan so they can make a more direct request to National Grid. He informed Council that one of the benefits to staying in the same location and expanding to that parcel would be that improvement work could be done in a phased approach. He mentioned the first two steps would be for salt storage and work on the administrative building where several of the shops would be located.

There was some discussion about the proposals that were included in the Comprehensive Plan for riverfront development in that area. Council agreed that the plans were appealing but expensive. Mayor Smith polled Council if they wanted to go forward with plans to leave DPW where it is and work on acquiring the National Grid land for future development.

Mr. Mix clarified that it is critical to acquire the National Grid parcel.

Mr. Monaco stated that the department needed the space now and noted they would build on that property.

Mayor Smith noted for the record that there is no discussion of tearing down Joe's Tavern.

Council agreed to go forward with acquiring the National Grid site and leaving the Department of Public Works in its current location.

Council Member Olney asked City Engineer Michael Delaney if he had investigated the Newell Street building for structural safety.

Mr. Delaney stated he had not but could if Council directed him to.

Mr. Keenan advised that with the direction from Council, the department would be able to make more serious inquiries to National Grid and get the situation resolved. He added that a decision to stay at the current location would allow them to begin to create a conceptual master plan and then eventually get an architectural plan. He further explained that a decision will allow his department to start building a budget.

Single-Stream Recycling

Mr. Keenan began by informing Council where they had left off with a previous Council in discussions about single-stream recycling. He said that a study had been done on the feasibility of building a material recovery facility for the City and it was deemed to be not feasible. Secondarily, the Harrisville transfer facility has since closed. He informed Council that discussions had been ongoing with Fort Drum on the possibility of working with them to share the facility near the main gate in the town of Lery. That plan, he said, was for them both to utilize the plant with the City using the facility for processing in exchange for the City transporting Fort Drum's recycling. He indicated this could be achieved by use of an intergovernmental service agreement.

Mayor Smith commented that this would save the costs of building the City's own facility.

Mr. Keenan explained that there will still be costs incurred by the City. He explained the City would still have to purchase a roll off transit vehicle with an estimated cost of \$180,000. He also explained that, since the overall goal of single-stream recycling is to increase participation, the City will have to acquire more totes.

Council Member Hickey asked how many transports of recyclables were taken to Syracuse.

Mr. Keenan said the City made four trips a week.

Mr. Monaco commented that the numbers are about 1,400 tons.

In response to Council Member Hickey's question of whether this means that Fort Drum would be selling the City this recycling product, Mr. Keenan said that was true in a manner of speaking. He explained that the City would haul the Fort's recyclables in return for the use of their facility for processing.

Mr. Mix advised that in some situations recycling can result in a small profit, offering for example that if the City pays \$95-\$100 per ton and Syracuse can sell it for \$105 per ton, the City receives the difference.

There was a discussion about the various rates and tipping fees charged and the tonnage of garbage and recycling picked up by the City.

Mr. Keenan indicated there are certain neighborhoods that are more judicious in their recycling habits.

Council Member Ruggiero recalled that the last time Council was presented with this plan, it was determined it would be years before the City would break even and questioned if the numbers were the same.

Mr. Keenan indicated that circumstances were different now with the potential Fort Drum partnership but added that they were looking at offsetting costs with an increase for refuse removal. He recommended that Council make a decision on whether they wished to proceed to single-stream recycling so the City could order a truck.

Mr. Mix explained that the overall costs had dropped since the City no longer would have to build a facility and purchase the compactors.

Mr. Monaco mentioned that a truck would take about 10 months to acquire if they ordered now.

Council Member Ruggiero asked for some assurance that the Fort Drum deal would go forward and wondered if Council should wait until there is a deal in place before electing to go forward with single stream.

Mr. Mix stated that the new roll-off truck is necessary in any scenario in which the City converts to single stream.

Council Member Ruggiero asked if the department would break even in costs, mentioning that, according to the report presented (available in the City Clerk's office) it appears last year they had done the best ever in terms of making money.

Mr. Keenan suggested he could check with City Comptroller Mills for exact numbers.

Mayor Smith pointed out that the City refuse program makes money but that it covers the costs to pick up the yard waste which makes no money.

Mr. Monaco informed Council that 20 years ago a local law was created that required the independent garbage haulers to also handle recycling which made a big difference in the City's costs.

Mayor Smith asked if there was any reason why the deal with Fort Drum would not go through.

Mr. Keenan stated that it was mutually beneficial and fit right into both the City's and the Fort's plans.

Mr. Mix explained that the only hurdle was that Fort Drum would have to deal with the vast governmental bureaucracy to get the deal done.

Council Member Pierce wondered if the program could go forward in the fall.

Mr. Keenan suggested it could be 12-18 months before the Fort Drum plan could be in place.

Council Member Ruggiero pointed out that revenue for the refuse went up last year and inquired if the City made money on the large item pickup.

Mr. Monaco remarked that large household waste pick up, like yard waste pickup, is mostly a service provided by the City to keep the City cleaner. He noted that the department no longer offers the household waste pickup event at the Fairgrounds because the costs were too high to the City, due to it including staff overtime.

Mr. Keenan stated that, in lieu of that pickup event, the City now offered on-demand pickup.

Council Member Ruggiero noted that Kingston, NY had switched from single stream to dual stream because the single stream was not working out and asked if DPW had considered dual stream.

Mr. Keenan pointed out that the City already keeps the cardboard separate so they can haul that direct and noted that the City makes a little money from doing so. He said that dual stream is a valid concern due to contamination.

Council Member Ruggiero mentioned that she had spoken to a local trash hauler who supported the City switching to single stream since that meant the independent haulers would no longer have to deal with recyclables.

Mr. Mix informed the Council Member that the independent haulers would have to continue to pick up their customers' recyclables.

Mr. Monaco reiterated that in 2002 there was a local law enacted that compelled independent trash haulers to also remove recyclables.

Mayor Smith polled the Council on whether they want to move forward on single-stream and purchasing a new truck.

Council Member Hickey said yes.

Council Member Olney said he was not going to vote on this and did not support single stream. He added that he felt the City had not done enough to market their current services.

Mayor Smith questioned Council Member Olney on his lack of support for single stream, noting that Council Member Olney's web page says he does support it.

Council Member Olney clarified that he used to support it until China stopped paying for recycled materials.

Council Member Pierce offered her support going forward with single stream and mentioned that DEC has a grant for recycling that will cover equipment and suggested staff look into it.

Council Member Ruggiero said she could not offer her support until she was sure of Fort Drum's involvement and saw some specific numbers.

Mayor Smith summarized that three and possibly four members of Council were in support of the plan.

Council Member Ruggiero commented that she would like to see the numbers again since the last time this plan was suggested, it was thought that it would take 10-12 years just to break even. She also said she would like to see an agreement in place with Fort Drum before moving forward.

Mr. Keenan said he could speak to Fort Drum about the numbers.

Mayor Smith remarked that Fort Drum is saying they want this partnership.

Council Member Ruggiero reiterated that she would still like to see numbers and an agreement.

Work session ended at 8:34 p.m.

Lisa M. Carr
Deputy City Clerk