

**CITY COUNCIL BUDGET SESSION
CITY OF WATERTOWN
May 8, 2023
6:00 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, Brian MacCue, Vicky Murphy, Aaron Harvill, Angel French, Michael Delaney, James Mills, Michael Lumbis

DISCUSSION

Hydroelectric Production

Water Superintendent Vicky Murphy began by reviewing the hydroelectric production account beginning on page 120 and highlighted the changes from last year. She pointed out the equipment expense for a tractor with snowblower, which is detailed on page 124 and the cost for Ampersand for the operations of the plant. Turning to the Capital Budget, she pointed out the control system modernization project on page 306 and the thruster bearings inspection and repair projects on page 307, explaining the need for both.

Council Member Hickey asked about the relay replacement expense of \$30,000.

City Engineer Michael Delaney explained that they like to have one on hand, so that anytime one needs to be replaced, they will order another to have as a spare.

No changes were made to this budget.

Water Fund

Ms. Murphy provided an overview of the Water Fund beginning on page 192, stating there is a proposed rate increase of 10% mainly due to the increase in the cost of chemicals and electricity. She pointed out that rates have not increased in the last few years.

In response to Council Member Olney's inquiry about how this would affect a household, City Comptroller James Mills estimated that if a household bill is approximately \$120 per quarter, then it would be an increase of \$50 a year. He noted that in the last five years water rates have not increased but CSEA contractual wages, health insurance and retirement costs have continued to go up in addition to the cost of chemicals.

Ms. Murphy responded to Council Member Pierce that the last rate increase was 5%.

Council Member Olney questioned why there is such a large rate increase, especially during an election year, noting that rates have not increased in the last five years.

There was further discussion of why water rates are increasing and the use of the Water Fund fund balance in previous years, as well as concern expressed with continuing to rely on fund balance.

Ms. Murphy reviewed the Administration account on page 196, noting that it is similar to the Administration account of the Sewer Fund. She indicated that the water meter reader software is no longer supported so they need to obtain new software and she also pointed out other items pertaining to only water and not sewer. She then went over the Source of Supply, Power, and Pumping account on page 200, highlighting the low lift pump variable frequency drive replacement on page 204 and the high lift pipe rebuild on page 205.

Regarding the Purification account on page 206, Ms. Murphy pointed out the significant increase in chemicals by reviewing previous years' expenses. She explained a proposal to change staffing titles, similar to what was done in Wastewater, which allows people to move up to different levels of a Water Operator.

Mr. Mix commented that the funding for this was put into the contingency account because it will take time to get it approved by the Civil Service Commission and stated that the overall cost of the change will be \$22,000.

The conversation turned to recent Civil Service testing and the difficulty obtaining qualified applicants.

Ms. Murphy then noted the equipment purchases detailed on pages 211 through 213, as well as some of the items listed under the category of equipment under \$5,000.

For the Transmission and Distribution account on page 214, Ms. Murphy advised that there was a change in title for the Senior Engineering Technician and explained the need for the pickup truck on page 219, the color printer on page 220 and the Thompson Park pumphouse pump rebuild on page 221.

Turning to the Capital Budget, she discussed the repairs needed to the Administration Building listed on pages 323 and 324, as well as the dump truck replacement on page 325. She also reviewed the water portion of the Burlington Street Reconstruction.

Mayor Smith asked if ARPA money could be used for these one-time purchases in place of a transfer from the Water Fund.

Mr. Mills advised that it could but then the ARPA funds would need to be reallocated from other projects to this.

Mayor Smith noted that by using the ARPA funds for the building repairs, dump truck, and the service truck, the water rate increase could be reduced.

An update on the use of the ARPA funds was requested for the next budget meeting and a detailed overview of the Water and Sewer Funds multi-year forecast (pages 356-357) occurred, which led to a

lengthy discussion of sales tax. Mr. Mills distributed two reports regarding sales tax performance over the past 15 years and sales tax revenue divided into categories (on file in the City Clerk's Office).

Council Member Hickey, Council Member Pierce and Council Member Ruggiero agreed to Mayor Smith's proposal and Council Member Olney did not. Otherwise, no changes were made to the Water Fund budgets.

Sewer Fund

Ms. Murphy presented the Sewer Fund beginning on page 224 and noted items that increased significantly in the Administration account on page 228.

In response to Council Member Hickey's question about interest earnings, Mr. Mills explained that it was a result of treasury bills.

Under the Sewage Treatment and Disposal account (page 238), Ms. Murphy reviewed the equipment purchases listed on pages 243 through 247.

Turning to the Capital Budget, Ms. Murphy advised Council of the female locker room on page 332, polymer make-up system on page 334, biosolids hopper on page 335 and the scum troughs for final settling tank B on page 336.

Mr. Mills pointed out that the funding source for each capital expense is listed on the bottom of the page. He reminded Council that if bonding is the funding source, and there is not enough support for the bond, then they may not want to keep that item in the Capital Budget. He reviewed the bonding rates upon the request of Mayor Smith.

The need for the female locker room and its cost was discussed further.

No changes were made to the Sewer Fund budgets.

Department of Public Works

Superintendent of Public Works Patrick Keenan introduced the new Assistant Superintendent of Public Works Brian MacCue to Council. He then began by reviewing the Sanitary Sewer account on page 232. He indicated that this account was up approximately 28%, mostly due to the sewer portion of equipment purchases, and he pointed out the sewer lateral service vehicle on page 237. He discussed the vacancies in this department, the turnover of staff and the challenges with lower years of experience in his personnel. Turning to the Administration account on page 58, he reviewed the staffing changes and said there was a slight increase in the budget. He pointed out the office area to be built for clerical staff and responded to Council Member Hickey's questions about specific line items.

In the Central Garage account on page 66, Mr. Keenan announced that a new Fleet Manager had been recently hired and mentioned items that had a slight increase from previous years.

Regarding the Municipal Grounds Maintenance account on page 106, Mr. Keenan explained there was an approximate 35% increase and pointed out the zero-turn mower replacement, which is detailed on page 111. He explained that the supervision of the refuse crew has moved to Municipal Grounds Maintenance.

Mr. Mix explained his proposal to create a tree crew, which would add two new positions and increase the wage of the tree trimmer position. He said the details of this would need to be approved through the Civil Service Commission, so the funding of approximately \$74,000 has been put into the contingency account. He added that the total annual cost would be approximately \$150,000.

The staffing of the whole Public Works department was reviewed.

Regarding the Maintenance of Roads account on page 112, Mr. Keenan noted there were not any significant changes and noted the increase was mainly due to contractual wage increases. In response to Council Member Hickey's inquiry about the type of services that are contracted out, he stated it is mostly milling since the City does not have the equipment to perform this work. He explained the cost of the equipment is not worth the few times a year that it would be used.

Discussing the Snow Removal account on page 116, Mr. Keenan advised that the current year is overbudget due to the two major snow events around Thanksgiving and Christmas. There was further discussion of these storms and the assistance received from New York State. The plowing techniques used were reviewed as well.

Regarding Traffic Control and Lighting account on page 125, Mr. Keenan indicated that it was up about 12% due to the purchase of the two-camera grid smart system detection packages on page 130 and the rectangular rapid flash beacon assembly systems on page 131.

Council Member Olney asked if there was anything that DPW needs which is not included in this budget and this led to a conversation about the long-term need for a new Public Works facility.

Turning to the Parking Facility account on page 137, Mr. Keenan pointed out the parking lots the City is responsible for and discussed the proposed work to be done at the Arsenal Street parking deck and covered parking area.

For the Storm Sewers account on page 182, Mr. Keenan indicated that there were not many changes, except for minor equipment purchases.

Regarding the Refuse and Recycling account on page 186, Mr. Keenan mentioned again that the oversight of this area would now fall under Municipal Grounds Maintenance. He also pointed out the purchase of a green waste vehicle on page 308. Mr. Keenan also drew Council's attention to the proposed fee changes for the refuse stickers and totes and noted that tipping fees have increased through the years while the fee schedule to the residents had not.

Discussion occurred about whether the City should remain in the refuse business and if there could be more marketing opportunities. Single-stream recycling, green waste pickup and bulk item pickup were discussed further.

Moving to equipment purchases within the Capital Budget, Mr. Keenan reviewed the snowplow and spreader equipment on pages 310 and 311. He explained the use of each of these and why they need replacing.

Continuing with the Capital Budget, Mr. Keenan discussed the traffic signal upgrades (Pearl and Starbuck Avenue) on page 313 and Flower Avenue West/Washington Street Combined Sewer Separation page 314. The stormwater infiltration from the Town of Watertown was talked about and it was noted that the Town of Watertown has been put on notice. The streets designated for reconstruction and repairs listed on page 316 were reviewed. Lastly, the sanitary sewer projects listed on page 337 (Main Avenue Sewer Bridge), page 338 (Burlington Street Reconstruction), page 339 (Newell Street Inceptor Capacity Analysis, Pipe Rehabilitation), page 340 (Western Outfall Trunk Sewer Rehabilitation) and page 341 (Flower Avenue West/Washington Street Combined Sewer Separation Design) were touched on and Mr. Keenan provided an overview of each.

Council Member Olney inquired about the issues occurring on Richards Drive which were recently brought to the Council's attention during the Privilege of the Floor portion of a meeting.

Mr. Keenan explained that many studies have been done to evaluate the Western Outfall Trunk Sewer and many things have been completed to address the issue, but unfortunately, they have not been able to solve all the problems.

No changes were made to the DPW budgets.

Budget work session ended at 8:22 p.m.

Ann M. Saunders
City Clerk