

**CITY COUNCIL BUDGET SESSION
CITY OF WATERTOWN
May 25, 2023
1:00 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: James Mills, Logan Eddy, Scott Weller

DISCUSSION

American Rescue Plan Act (ARPA) Appropriations

Mayor Smith reminded Council that the ARPA appropriations are over budgeted by \$2.6 million, so Council will need to decide what projects should be eliminated.

Proposed Pool Fees

A report was available for Council with a proposal for pool fees for non-City residents, as requested by the Council. It listed an expected revenue of \$25,000.

Council Member Pierce mentioned that some local municipalities, such as Clayton, rent out their pool facilities for functions such as family reunions and wondered if the City has ever considered doing this.

Parks and Recreation Superintendent Scott Weller replied that the City could do this during the hours that the pools are not open as long as the group pays for the cost of the lifeguards and a fee for the facility use. He reviewed the hours of operation for the pools.

Council Member Olney asked if the City has the ability to make ID cards for individuals to prove they live in the City, so that they do not have to provide proof of residency each time.

Mr. Weller explained that his department does issue ID cards but that it is mainly for the purpose of issuing season passes. He responded to Council Member Olney's question, stating that if someone does show up without proof of residency, then they would be charged the non-City resident fee, similar to what is done in the arena.

Council Member Olney expressed concern that someone might show up without an ID and get turned away from using the pool. He said he wished the County would offer financial assistance for recreational activities, such as the pool, since they do not have a recreational department. He advised that he spoke to two County Legislators, and they said that there was not an interest in this type of funding.

Mayor Smith said he talked to the Jefferson County Legislature's Chairman and there was no interest in contributing to this expense. He added that he was reminded that sales tax appropriation received from the County to the City is intended to assist with some of these types of services.

There was discussion of the group rate, who it pertains to and how it is applied.

Council Member Hickey expressed support for Council Member Pierce's idea of renting the facility and Mayor Smith and Council Member Ruggiero agreed.

Zoo New York Funding Request

Mayor Smith noted that Council needs to decide whether to appropriate an additional \$40,000 for the Zoo New York request for additional funding.

Council Member Hickey and Council Member Olney stated that they supported this.

Mentioning she feels the zoo is a great asset to the community, Council Member Pierce commented that she has reservations since the City has already allocated \$1 million in ARPA funds to the zoo.

Council Member Hickey noted that Mr. Sorel had indicated the zoo would be fine until January and Council could approve this but hold the payment until then to determine if it is still needed.

Council Member Ruggiero said that she mentioned at the last meeting that the zoo has had to come to the City many times to ask for funding. She wondered if this additional \$40,000 should be noted as one-time funding so the zoo can get back up on their feet. She also mentioned that the zoo has been allocated \$1 million of ARPA funds.

Mr. Mix commented that none of the zoo's ARPA funding had been spent yet and explained that, since the zoo is on City property, the project should be considered and function as a City project. He stressed that the construction contract needs to be approved by next year to meet the ARPA funding deadline.

Council Member Ruggiero pointed out that the zoo is not anywhere near ready to begin their project and expressed concern that it might not meet the ARPA deadline. She agreed with Council Member Hickey's suggestion to wait until January to see if the zoo will need extra funding.

Mr. Mix advised that Council could do a public service agreement for the \$100,000 funding once the proposed budget is approved and then a separate public service agreement for the \$40,000 funding in January.

Mayor Smith remarked that Council could hold off putting the \$40,000 in the budget and then readopt the budget in January if needed.

Council Member Ruggiero agreed with the Mayor.

Council Member Olney said the zoo has been a longstanding entity in the community and noted that he thought that, when the City committed the \$1 million to the zoo, there would be shovels in the ground by now.

Mr. Mix explained the relationship between the conservancy and the City and listed the responsibilities of both. He also advised how the zoo functioned in the 1990's when it was operated by the City prior to the conservancy. He said the current model is not working, partly because there is not enough support from the local government, and he compared this to other municipal zoos.

There was a lengthy discussion as to whether the City should continue to fund the zoo and at what level and whether there is enough support for the zoo in the community to support increasing taxes to make it sustainable.

Mayor Smith polled Council for their support in adding the \$40,000 for additional funding to the zoo. Council Member Hickey, Council Member Pierce, Council Member Ruggiero and Mayor Smith voted no, and Council Member Olney voted yes.

Changes to the Proposed Fiscal Year 2023-24 Budget

There was a long discussion of the difference in changing the tax levy versus changing the tax rate and the impact that assessed values have on each. Mayor Smith advised that Council needs to decide whether Council wants a 0% tax rate change or a 0% tax levy change and how to obtain that decision, whether it be by use of the General Fund fund balance, increase of revenue or eliminate projects.

Conversation turned to the Water Fund and Mayor Smith advised that Council needs to decide whether they want to go with the original proposed 10% water rate increase or the revised proposal of a 6% increase. In order to obtain the 6% water rate increase, he warned that they would need to delay some projects down the road, which, he said, some Council Members have been critical of previous Councils for doing.

A long debate ensued, and the use of more ARPA funds was suggested. Mr. Mix recommended that the topic of ARPA funding and the overallocation of those funds be discussed in detail at the June work session.

Council Member Hickey originally stated he would like to delay projects in order to decrease the proposed water rate increase to 6%, but then later stated he would support the 10% increase in water rates.

Council Member Olney and Council Member Ruggiero expressed support for the 10% increase.

Council Member Pierce and Mayor Smith both expressed support for reevaluating the use of ARPA fund for more water projects.

Turning to Sewer Rates, Council debated whether to increase the sewer rate as proposed by 10% or the revised proposal of 3.5%.

Council Member Hickey, Council Member Olney and Council Member Ruggiero expressed support for the 10% increase and Council Member Pierce and Mayor Smith expressed support for the 3.5% increase.

Mayor Smith then drew Council's attention to the decision about the tax rate and tax levy. Again, a long discussion occurred regarding the difference in changes to both and the impacts on the taxpayers. The use of General Fund fund balance and the proper amount to be in the fund balance was debated.

City Comptroller James Mills explained how the fund balance is used for operating costs until the majority of the yearly revenue is received, which is near the end of the fiscal year. He stressed that the City's minimum balance in the fund balance should be \$11 million versus the State Comptroller's recommended minimum due to the City's volatile revenues sources. In response to Council Member Pierce's inquiry, Mr. Mills estimated that a \$4 million bond for the Flynn pool will be approximately \$450,000 per year in debt service for 10 years.

Council agreed to appropriate the necessary funds from the fund balance once the already agreed upon changes to the proposed budget are made in order to make the tax rate 0%.

Budget session ended at 2:05 p.m.

Ann M. Saunders
City Clerk