

**CITY COUNCIL WORK SESSION
CITY OF WATERTOWN
July 14, 2025
7:00 p.m.**

Mayor Sarah V.C. Pierce Presiding

Present: Council Member Robert O. Kimball
Council Member Clifford G. Olney III
Council Member Lisa A. Ruggiero
Council Member Benjamin P. Shoen
Mayor Sarah V.C. Pierce

Also Present: Eric F. Wagenaar, City Manager,
Kristen Smith, City Attorney (via videoconference)

City staff present: Dana Aikin, Michael Lumbis, Aaron Harvill

DISCUSSION

Vacant and Blighted Homes

Code Enforcement Supervisor Dana Aikins presented Council with an update on the progress of the vacant and blighted home initiative by reminding Council that there would be no specific properties mentioned and explaining that the information presented is restricted to City employees only and requested Council hold questions until the end.

He then listed the steps staff had taken to lead to a scoring system that would determine which properties around the City were in the most serious need. He displayed a map with the various properties color-coded according to their condition. He then detailed the next steps in the process and advised that his office was still waiting for legal counsel on the process.

Council Member Kimball requested an overview of the data points used for scoring the properties.

Mr. Aikins indicated that there were many factors that he and his staff used in scoring properties but said some of the most basic were if the property had no utilities and no water. He said they then considered the condition of the roof and the structure. He summarized that in general, the more work required to bring the property up to code, the lower the score would be.

Council Member Olney requested the legal options the City has regarding the properties.

City Attorney Kristen Smith, appearing via videoconference, stated there was not a list of options at this time.

Council Member Olney reminded the Attorney and Council that he had the idea to use a land bank.

City Manager Eric Wagenaar announced that is one of the options available and that the City is working with the County.

In response to Council Member Olney's question of whether the City had applied for or received any grants to deal with this issue, Mr. Wagenaar said there were none currently, but it was at the top of the list for the next grant cycle.

Council Member Olney questioned why the list of properties was being kept private, noting he knows contractors who would like a list.

Mr. Wagenaar replied that identifying the properties specifically could lead to the properties becoming a target for criminality.

Council Member Kimball asked if the scoring system was reproduceable for future Code Enforcement officials.

Mr. Wagenaar noted staff was working to codify the scoring process.

In response to Mayor Pierce's question regarding a time frame, Mr. Aikins indicated his office is pre-planning for the 2026-2027 budget and noted it could take a lot of resources should there be a need for many court procedures.

Council Member Olney suggested letting the Department of Social Services place homeless people in the vacant homes, specifically 232 W. Main Street. He noted that in the past, HUD had been involved in this process and asked why the City could not be landowners and rent properties.

Mr. Wagenaar noted the issue of homelessness is large and complex and that the City and County are in this together.

In response to Council Member Ruggiero mentioning she believed Watertown Housing Authority (WHA) had some HUD subsidies available, Mr. Wagenaar agreed saying that was why WHA was looking at the 232 W. Main Street property.

Council Member Shoen commented that he was not in favor of Jefferson County taking over any more buildings in the City for housing as that would effectively remove them from the tax books. He also noted that because the City is doing so much work to aid the homeless, this results in more people coming here to make use of that assistance. He suggested that adding more overstock housing would create more need. He mentioned that there is no need to provide contractors with a list of developable property as the vacant properties are easy to spot when you drive around the City.

Referring to Council Member Kimball's question, Council Member Shoen requested a list of metrics used to judge a property and asked if any staff outside of Codes were judging the properties as well.

Discussion moved on to the costs of demolition and the process of notifying property owners.

In response to Council Member Shoen's question regarding the payback percentage the City receives after a property is demolished, Mr. Aikins indicated that it would be a question for the City Comptroller.

Council Member Shoen noted he did not want property owners to use the City as a source for demolition.

Council Member Olney asked City Attorney Smith if it was legal for the City to raffle properties and cited potential revenues from such a raffle.

Attorney Smith said she would have to take a deep dive into the legality of whether such a plan would work and noted that the fundamental issue of ownership of the property is the initial question.

Council Member Shoen suggested making it a requirement of owning property in the City that a phone number be provided.

Mr. Wagenaar said people cannot be compelled to provide a phone number.

Hydro Facility – FERC Compliance & License Renewal Update

City Manager Wagenaar read from a report updating Council on the City's hydroelectric facility including the Federal Energy Regulatory Commission (FERC) license compliance matters, preparations for license renewal and the City's transition away from the existing power purchase agreement with National Grid.

Mr. Wagenaar indicated that the City is being proactive in discussing the end of the FERC license now with ten years to go. Regarding the list of FERC compliance complaints, he indicated the City had submitted a formal response in June addressing those complaints.

Mr. Wagenaar informed Council of an onsite inspection performed in May on the hydro site and the resulting findings. He noted what was being done regarding those findings.

Regarding the much-discussed end of the hydro contract with National Grid, Mr. Wagenaar listed the three options representatives from National Grid had suggested were available for the facilities.

Mr. Wagenaar recommended Council consider hiring a consultant to assist the City with these difficult decisions.

In response to Council Member Olney's question of whether there was anything in the onsite inspection to be concerned about, Mr. Wagenaar commented that there are gaps, and the City is addressing those.

Mayor Pierce noted that she agreed that the City is at the point where there is a need for a higher level of expertise and supported moving forward with hiring a consultant.

Cannabis Dispensaries Opt-Out Law Review and Policy Considerations

City Manager Wagenaar presented a comprehensive overview and policy considerations related to the City's current opt-out status under New York State Cannabis Law, noting that City Council had voted to opt out in July of 2021. He explained the various factors which need to be considered before the Council could make a decision to repeal their opt-out status. Mr. Wagenaar explained that the law has two parts: retail dispensaries and on-site consumption establishments. He informed Council that they can decide to repeal the opt-out for just dispensaries, just the on-site consumption locations or both.

The City Manager offered detailed explanation of what the City of Watertown could and could not regulate, indicating the City could regulate hours of operation and zoning but could not, for example, prohibit home cultivation.

Mr. Wagenaar advised Council that once a decision is made to opt-in, it is irreversible.

Planning and Community Development Director Michael Lumbis explained to Council that, if the City opts in, the current Zoning Ordinance would allow retail dispensaries only in the City's commercial districts, which are along Arsenal Street, the Interstate 81 corridor and the far end of State Street. He stated that if retail facilities were desired in other areas, there would need to be a zone change. Mr. Lumbis went on to explain that if Council decided to opt in for on-site establishments, they are not allowed anywhere in the current zoning ordinance and a zoning amendment would be required to add the use to the use table. He mentioned that a special use permit could be issued, and those special use permits could be used to limit hours and require screenings.

Attorney Smith advised Council that if the decision was made to opt in, that the special use requirements be put in place simultaneously so the rules would be comprehensive. She also mentioned that the State has not completed their regulations for on-site consumption establishments.

In response to Council Member Shoen's question of where in the City it was legal to manufacture cannabis, Mr. Lumbis replied that it was permitted in industrial, commercial and planned campus and pointed out those areas on the Zoning map.

Council Member Shoen asked if there were any businesses producing or manufacturing cannabis in the City.

Mr. Lumbis said no one has come forward.

Mr. Wagenaar indicated that the Police Department was concerned about the potential of burglaries due to the cash-heavy nature of the business.

Regarding taxation and revenue distribution, City Manager Wagenaar indicated that it was very complicated math, and he apologized for not understanding it well. He said the City would receive 75% of the 4% local excise tax which, according to preliminary numbers, could be, potentially, \$100,000 a year but cautioned there are a lot of unknowns. He noted one of the questions is regarding the customer base. He wondered if the customer base would expand if there were more dispensaries or if the result would just be spreading the revenue among the various municipalities already offering dispensaries.

Council Member Shoen suggested the City reach out to the Sheriff's Department and the West Carthage Police (one of the communities which has dispensaries) to see whether they have seen increased criminal activity. As for broadening the customer base, Council Member Shoen indicated there are 21 smoke shops in the City of Watertown and so he does not see the base as being too small.

Mr. Wagenaar commented that Watertown City Police are not fans of a plan to opt in.

Council Member Ruggiero mentioned that there are many people who live in the City who do not have transportation and so they are the target customer base for City retail establishments.

In response to Council Member Ruggiero's question about requiring security at the dispensary, Mayor Pierce noted that the Town of Pamela does have in-house security at their retail shop and asked if security could be required as part of a special use permit.

Attorney Smith indicated that security would be regulated by New York State but noted she would check.

Questions and discussion ensued about the difference between retail dispensaries and on-site consumption establishments and what each offered.

Attorney Smith reiterated that the State has still not formalized regulations for consumption bars.

In response to Council Member Olney's question regarding how much money the City has received from the manufacture of cannabis, Mr. Wagenaar explained that there is no tax revenue as it is not legal to sell the manufactured cannabis.

Citing a recent issue between two liquor stores, Council Member Olney asked if the City could limit proximity of cannabis establishments.

Attorney Smith indicated that only the State could regulate the number of licenses, but the City could regulate the areas where the establishments were allowed.

Council Member Kimball said he would like to hear from law enforcement officials, possibly from other states, about the stresses on the legal system and commented that the legalization of cannabis had not necessarily been good for people but was good for taxation. Acknowledging the "cat is out of the bag" regarding legalization, he expressed concerns about encouraging usage. He cited statistics from the USA Today noting an increased numbers of cannabis-related ER visits and cannabis poisoning incidents in Upstate New York since legalization.

Council Member Olney expressed his opinion that opting in did not encourage or promote cannabis use/ He commented that many of the law enforcement issues are caused by cannabis still being illegal at the federal level, which prevents people from being able to use debit or credit cards to make a purchase and leads to large amounts of cash being on site.

Mayor Pierce said she would like to hear feedback from law enforcement and other communities as well as from constituents.

Mr. Wagenaar said he would take a look at the security issue and get some treatment numbers from Samaritan Medical Center.

Residency Local Law – Amendment Process

Mayor Pierce asked the City Attorney what the process would be if Council wanted to amend the Local Law to separate the various position's residency requirements.

Attorney Smith said that amending a local law is different from amending a resolution in that altering it would, in effect, create three new Local Laws, which would each require a Public Hearing and would be considered by Council separately.

Council Member Olney questioned whether Council had done something illegal by allowing the City Manager to extend the six-month waiver he was given at the beginning of his contract.

Attorney Smith explained that allowing a time-period to move is a common approach and is more of a grace period than a legal waiver.

Council Member Olney offered his opinions about the residency requirement saying he did not believe any City employee should be required to reside in the City.

Attorney Smith reminded Council that they do not have to amend the Local Law and could vote on it as it stands.

In response to Council Member Olney's question of whether the City Manager's contract could be changed to extend the residency exception, Attorney Smith noted that the Local Law is not tied to a contract but is State law.

Council Member Ruggiero indicated that she would support excluding the residency requirement for the City Engineer and Superintendent of Public Works since they were not informed when they were hired of the requirement.

Further discussion ensued about the six-month grace period and the extension offered as well as some debate about who wrote the City Manager's contract.

Council Member Olney commented that, despite his beliefs about the residency requirement, the public outcry had been substantial, which left him feeling awkward.

Mayor Pierce expressed her support for excluding the City Engineer and DPW Superintendent from residency since they were not informed prior to taking their jobs. She indicated she has heard both praise for City Manager's Wagenaar's performance as well as concerns about removing the residency requirement for that position. She expressed hope that Council could find some way to balance both sides of the argument. She advocated separating the City Engineer and DPW Superintendent into one Local Law and considering the City Manager position separately.

Council Member Kimball noted there was a consensus among Council to extend the grace period for the City Manager's residency requirement and said it would be inappropriate and dishonest to change it now.

Council Member Shoen commented that Council had unknowingly extended the residency exception without knowing it was not legal. He asked the City Manager how much longer he intended to be the City Manager.

City Manager Wagenaar expressed his dismay at not being excused from Council before this discussion took place, calling it ridiculous to speak about this in front of him. He noted, however, that he enjoyed his work with the City and would have liked to extend his contract for at least another two years. Mr. Wagenaar mentioned that many people had suggested he just rent an apartment in the City to establish residency, but he finds that to be dishonest as he would just return home to Chaumont each day.

More discussion ensued about whether or not Council was informed that the residency requirement was under State law.

Council Member Ruggiero asked if incentives could be offered for residency rather than requiring an employee to live in the City.

Mr. Wagenaar said that would be a question for a labor attorney.

Attorney Smith noted that, in the hiring process, the City had the right to set criteria such as “residency preferred.”

Mr. Wagenaar reminded Council that when it came to hiring for the last several positions, the list of prospects was not long.

Council Member Olney asked for clarification that the decision to remove a residency requirement was up to Council and not subject to a public vote.

Attorney Smith advised that this was not a topic for a referendum.

Council Member Ruggiero requested clarification regarding Council Member Olney’s advocacy to remove a residency requirement for all City employees.

Council Member Olney clarified that he meant the City Officers that have residency requirements under current State Law.

Attorney Smith further clarified that the list of officers required to reside in the City is a short list.

Mayor Pierce asked if there was support for excluding all members of that list of officers from the residency requirement and all Council Members said no except for Council Member Olney.

Council Member Ruggiero suggested voting on the current Local Law as written.

Council Member Shoen disagreed saying he does not like grouped votes, noting he had to vote no on a budget Resolution because he did not agree with just one part of it.

Council Member Kimball agreed to vote on the Local Law as it stands.

City Manager’s Update

Mr. Wagenaar reported that the new dual-axle refuse truck had been delivered and announced that the City was currently looking to hire more refuse employees.

In response to Council Member Ruggiero’s question of when the City would start refuse pickup for commercial properties, Mr. Wagenaar said that this was in the final stages and would be discussed at the August work session.

Work session ended at 9:40 p.m.

Lisa M. Carr
Deputy City Clerk