

**ADJOURNED COUNCIL MEETING
BUDGET SESSION
CITY OF WATERTOWN
May 28, 2003
5:00 P.M.**

MAYOR JOSEPH M. BUTLER PRESIDING

PRESENT: **COUNCILWOMAN ROXANNE M. BURNS
COUNCILMAN PETER L. CLOUGH
COUNCILMAN PAUL A. SIMMONS
COUNCILMAN JEFFREY M. SMITH
MAYOR BUTLER**

ALSO PRESENT: **CITY MANAGER MARY M. CORRIVEAU**

MANAGEMENT PERSONNEL: **GARY PILON
ANN SCHWARTZ
CHIEF PICHE
CHIEF GAUMONT
GENE HAYES
JIM MILLS**

ALSO PRESENT: LIBRARY BOARD PRES. **JAYN GRAVES**

Mayor Butler called the adjourned meeting to order.

Mrs. Corriveau presented Council with several memos regarding budget information. She reviewed the **Fiscal Year 2003-04 Budget Update** memo explaining that she had added the salary and fringe benefit costs of \$12,626 to the budget for four months for the full time Engineering Technician working in the sidewalk program. This assumes that for approximately four months of the year this person will not be working full time on sidewalks. During the off-season, this person will work in the Engineering Department and initially will be utilized to update the department's infrastructure records and mapping. Mrs. Corriveau also provided the information that Council had requested relative to a 3% instead of 2% increase in management salaries. She explained that the figure of \$23,688 also includes all costs associated with the increase.

Mrs. Corriveau referred to the **Slip Form Curbing Machine** memo from Mr. Hayes.

Councilman Simmons asked Mr. Hayes how he would intend to pay for this equipment if it was added to the 2003-04 budget.

Mr. Hayes explained that he was providing the information that Council had requested. However if it were purchased, the City would take out a bond to pay for it.

Mrs. Corriveau referred to the **Hydroelectric Plant Issues** memo from Mr. Pilon.

She also advised Council that April was a great month and May is doing very well. She stated that it looks as if the revenues will come in about \$50,000 over projection.

Mrs. Corriveau referred to the **Fiscal Year 2003-04 Budget Update** memo from Mr. Hayes. This information is an analysis comparing unreserved fund balances of all cities within New York State excluding New York City.

Mrs. Corriveau reviewed with Council her **Budget Outlook** memo. She explained that if the Capital Budget is adopted as presented, the General Fund debt service is projected to increase by approximately \$470,000 in Fiscal Year 2004-05, not including the City cost associated with the implementation of the sidewalk replacement program. She stated that as previous handouts have indicated, the City's exhausted debt limit is very high. She asked that City Council carefully consider any modifications to the Capital Budget that will increase the expense. She also indicated, that while the cost of borrowing money is cheap, the principal remains the same, the taxpayers must still repay both the principal and interest expense associated with these purchases. Mrs. Corriveau also advised that the City has received notification that the rates for retirement expenses will increase from 4.5% to between 13 and 15% for Police and Fire and 11% for all other employees. This represents a General Fund expense increase of approximately \$950,000 over this year's expense of \$480,000, bringing the total retirement expense to \$1,530,000. Mrs. Corriveau also explained that the City budget would most certainly see expenses increase associated with wage increase. A 3% increase would create an increase of approximately \$450,000 in the General Fund appropriations in FY 04-05.

Page 240 - Library

Acting Library Director Ann Schwartz addressed the chair asking that the elevator upgrade scheduled for 2004-05 be moved to the 2003-04 budget due to the fact that they are having problems with the elevator at this time. After much discussion concerning whether to move the surveillance system or the heat pumps to the 2004-05 budget, Council concurred to shift the heat pumps. It was agreed that the surveillance system will remain in the 2003-04 budget and will not be contingent upon grant funding.

Council discussed the need for the surveillance system and also questioned if a formal appraisal of the artwork and artifacts had been done.

Library Board President Jayn Graves explained that this appraisal has not yet been done but is part and parcel of the capital campaign.

Mr. Mills indicated that these items would not fall under Gasby. However, there is a fine arts rider on the City's insurance policy.

Page 169- Library

Councilman Clough asked about the added cost in the operating expenses.

Mrs. Corriveau explained that this is for the added cost of electricity, which now appears in the budget.

Page 242 – Library Capital Campaign

Councilwoman Burns commented that this project is going to be an energetic undertaking and one that needs to be done as the building is unique. She commented that while she feels the campaign will be successful, it needs the City to set the tone of contributing to it. She remarked that it is a City owned building and needs the City's support in the campaign.

Councilman Simmons responded that no one is arguing that the City owns it. He stated that three years ago, Council gave the library board a mandate for the new tax project. It should have been handled by the board and not by the director. He stated that he also has a problem of stepping out and committing for three years for this amount.

Councilman Clough advised that this Council would only be committing for one year.

Mrs. Corriveau remarked that the true commitment comes with bonding.

Council concurred to approve the library's budget as discussed.

Fund Balance

Mayor Butler suggested taking \$175,000 from the fund balance to bring the tax rate down to 2.88%

Mrs. Corriveau responded that while she would rather leave the rate at 4.85%, as it would put us in a better position in the future, she understands the political will of the Council.

Mayor Butler asked Mr. Mills what his opinion was.

Mr. Mills responded that he agrees with Mrs. Corriveau that the rate should be kept at 4.85%. He read portions of a letter from Moody's whereby they expressed concern over the City's financial future outlook.

Mayor Butler remarked that he understands and respects what Mrs. Corriveau and Mr. Mills have said. However, the tax rate should be kept down from a political point of view.

Council concurred to appropriate \$175,000 from the fund balance. However, Councilman Smith stated that he was hesitant to do so.

Councilman Simmons remarked that staff did a good job with this budget.

Councilwoman Burns responded that the City of Watertown is not alone with the financial situation and she feels obligated to pass whatever savings they can to the taxpayers this year.

Page 213- Fire Truck

Chief Gaumont answered questions posed by Council concerning the need for this vehicle. He reiterated statements from previous budget sessions whereby the life expectancy of the vehicle is 15-20 years as a front line vehicle. The current truck should be a reserve one already under the recommendations and the new vehicle would not be here until September 2004.

Mayor Butler asked Mr. Mills for his opinion.

Mr. Mills responded that while it is not his job to say whether or not the Chief needs a new truck, he does know that the borrowing rates aren't going to get much lower.

Councilman Clough remarked that Moody's has said that the City has a problem and they could lower our standings and raise our interest rates.

Council concurred to leave this in the budget.

Page 197 – Vehicle Exhaust System

Council concurred to leave this in the budget.

Page 198 –Municipal Building Elevator

Council removed this from the budget.

Mrs. Corriveau advised them that if the elevator breaks, it would have to be fixed.

Page 194 – Demolition of Property

Council concurred to postpone this.

Page 211 – Field Mower / Page 212 - Tractor

Mr. Hayes answered questions posed by Council concerning these pieces of equipment.

Mayor Butler asked which one he felt was needed more.

Mr. Hayes explained that while his opinion probably would not be Mr. Van Brocklin's opinion, if he had to choose he would choose to keep the tractor in the budget.

Council concurred to remove the field mower from the budget and to leave in the tractor.

Slip Form Curbing Machine

Councilman Clough remarked that he doesn't see going with the curber this year.

Mr. Hayes explained it is \$5.00 a linear ft. to rent the machine and they have to time everything to the person being in the area.

Councilman Simmons asked if this could be funded through CHIPS.

Mr. Hayes remarked that he will check with the State, but he doesn't think so.

Councilman Smith referred to Haley Street between Gotham and Myrtle and that fact that we need to do the street complete with curbing. Therefore, he suggested doing less paving and more curbs.

Mayor Butler responded that he is not in agreement because the City has made a commitment to the people on the listed streets.

Councilwoman Burns commented that with this sidewalk program, people are complaining that there are no curbs. She remarked that curbing is important and should be a priority in future funding. She suggested putting the machine cost in this budget.

Mr. Pilon commented that one of the reasons why there are no curbs on certain streets is that curbing in some locations could put the sidewalks under water. Therefore, there is a need to look at each street on an individual basis.

Council concurred to put the curb-replacement machine in the budget.

Mrs. Corriveau suggested taking Haley out of the list until the spring of 2004 when the machine would be here.

Mayor Butler asked about Thompson Boulevard between Gotham and Franklin Streets commenting that it is no longer on the list. He asked for a staff report.

Mr. Hayes explained that the project stopped because of the engineer, as it has to be designed.

Page 206- Telephone System

Councilwoman Burns remarked that while she realizes the need for a new phone system, she questions the amount of money being allocated for it. She stated that she doesn't think we need to be as "cutting edge" as this plan.

Mrs. Corriveau outlined the phone system plan and explained that this will reduce the operating costs and will connect all the City buildings.

Mayor Butler stated that Creg Systems could now compete.

Mrs. Corriveau responded that she would rather not talk about specific vendors, but rather about equipment.

Councilwoman Burns stated that she still feels there are less costly options available.

Councilman Simmons asked if this wouldn't have to come back to Council for approval.

Mr. Mills explained that it would only come back if it was over the \$183,000 that has been earmarked for it.

Councilwoman Burns responded that we need to look at cutting this amount in half.

Mrs. Corriveau commented that staff would always look at saving dollars.

Councilwoman Burns remarked that she hoped that staff hadn't already selected the system.

Council left in the telephone system, with the understanding that staff would look for savings.

Page 208 – Rotary Blower

Council concurred to leave this in the budget.

Page 225- Pump House Reconstruction

Mr. Pilon answered questions concerning this. He explained that the pumps are old and much more modern ones will be used.

This item was left in the budget.

Sidewalk Program

Mrs. Corriveau advised Council that the City still has expenses and equipment issues for the sidewalk program and they do not appear in the budget, as of yet.

Mr. Hayes explained that a van and pickup truck are being repaired and the costs have been around \$3,000 so far.

Councilman Simmons remarked that he thought Council would be advised of the cost before any vehicles were repaired.

Councilwoman Burns commented that she believes staff was left with the understanding that Council wanted them to repair the vehicles in order to reuse them.

Mayor Butler discussed the staffing of the crews for the sidewalk program and the crew that works on the handicap cuts.

Mr. Hayes reiterated his plans for staffing the crews and the fact that his plan is to look at the resources and distribute them equally to get the best productivity.

Mayor Butler commented that to use the handicap cut crew would buy us time for this year.

Mrs. Corriveau advised Council that discussions have already been held with the unions regarding the makeup of the crews to be used.

Discussion then centered on equipment purchases.

Councilman Simmons recommended looking at used equipment.

Councilman Smith commented that he would be interested in seeing what the actual number of replacement walks there will be and what the cost is before the City buys all new equipment.

After a lengthy discussion, Council agreed that \$194,000 would be put in the capital budget to buy equipment and vehicles for the City's sidewalk replacement program. However, this is with the understanding that actual purchases would have to be approved later by the Council and the City may not end up spending as much as that amount on new vehicles and equipment for the sidewalk work.

Mr. Hayes stated that he would monitor the old vehicles' performance through this summer to determine whether new vehicles should be purchased and will re-examine the issue in the fall.

AT THE CALL OF THE CHAIR MEETING WAS DULY ADJOURNED AT 8:30 P.M. UNTIL FRIDAY, MAY 30TH AT 4:00 P.M. BY MOTION OF COUNCILMAN CLOUGH, SECONDED BY COUNCILMAN SMITH AND CARRIED WITH ALL VOTING IN FAVOR THEREOF.

Donna M. Dutton
City Clerk