

**MINUTES OF THE COMMON COUNCIL  
SPECIAL MEETING  
NOVEMBER 9, 2021**

A special meeting of the Common Council of the City of Oneida, NY was held on the ninth day of November, 2021 at 6:00 pm at the City of Oneida Common Council Chambers, 109 N. Main Street, Oneida NY 13421.

The meeting was called to order by Deputy Mayor Thomas Simchik

<u>Attendees</u>	<b>Present</b>	<b>Absent</b>	<b>Arrived Late</b>
Mayor Acker	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/> _____
Councilor Earl	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/> _____
Councilor Laureti	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/> _____
Councilor Coulthart	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/> _____
Councilor Kinville	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/> _____
Councilor DuBois	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/> _____
Councilor Simchik	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/> _____

**Also Present**

City Clerk Sandy LaPera	<input checked="" type="checkbox"/>	Deputy City Clerk Andrea Hitchings	<input type="checkbox"/>
Comptroller Lee Ann Wells	<input checked="" type="checkbox"/>	Water Superintendent Smolinski	<input checked="" type="checkbox"/>
City Engineer Jeff Rowe	<input checked="" type="checkbox"/>	Councilor Elect Reisman	<input checked="" type="checkbox"/>
		Codes Director Bob Burnett	<input checked="" type="checkbox"/>

**2022 CITY OF ONEIDA BUDGET DISCUSSION**

Deputy Mayor Simchik opened the meeting and advised that the discussion would be with the Water and Sewer Departments and the Codes Department.

WATER DEPARTMENT

Acting Water Superintendent Art Smolinski provided Council with his Budget, first describing his projections for water sales for 2022. He advised that this was a budget for expenditures, as well as a budget used to calculate water rates. In order to determine the water rates, he needed to determine how much water would be sold next year. He noted that the figures used for this budget were pre- September (January to August data), along with a projection for the remainder of the year.

Superintendent Smolinski stated that he projects the City will sell 984M gallons of water at the end of 2021, which is up over 30M gallons from 2020. He used the average of 2020 sales plus the projected 2021 sales to come to the projected 2022 sales. He does not foresee any big adjustments but is concerned over Green Empire Farms and their recycled water consumption. He has an agreement that the City is going to execute with them, and he has sent them a letter explaining to them that they need to pay for the water they use or a minimum. They may decide, based upon how their ponds are working, that they do not want as much of a commitment from the City and may wish to reduce the minimum charge.

- He discussed historical water sales and increases due to HP Hood, Green Empire Farms, Verona and the Village of Vernon
- Vehicle Replacement Program-noting that the only thing this year that will need to be replaced is the 1996 air compressor for approximately \$20,000, which has gone well over its expected life usage
- Projected taxes for facilities are those that fall outside the City, such as Annsville, Verona, Rome, Vernon and Florence. Also, the Fire Districts including, New London, Durhamville, Taberg and Florence. We are required to pay taxes on property we own in other municipalities.
- Chemical costs-notice was received from the Chlorine supplier that the demand has gotten higher than the supply, and therefore the cost is going to significantly increase, and the supplier does not feel they can enter a one-year fixed contract. The bid has been changed to a 6-month contract, and the projected price increase for chemicals will probably be in the 40% range.
- Historic Funding of Water Main Replacement (pipe replacement). He stated that pipe prices went up 70% and that more funding should go into pipe replacement. The Capital Project to replace the water main on Glenwood Ave. from Fairview Ave to Glenwood Circle is to improve the fire flows in the Business Park due to the thought of an expansion, and the Oneida Indian Nation is doing work between the Territory and the Village of the White Pines, where there is a deficit in fire flow. When the new pipe is in, we can evaluate the improvement on fire flows and upgrade the pump station. The Nation is also looking at constructing a tank that the City would operate that would be connected to the City public water system and improve the fire flows.
- Water Department Bonding Costs-Fish Creek Project and Glenmore Dam
- Water Fund Condition-having cash gives flexibility and cuts down on bond associated costs
- Salaries and Benefits, including the breakdown by where the employees work-The City has retail customers, which are those within the city and wholesale customers, which includes others that we sell water to, but they have their own distribution system and do their own billing. He noted that the expenses are broken down by what services are being received. If they do not have an Agreement with the City, such as Verona and Durhamville, they do not pay a wholesale rate, but rather the retail rate plus 8%. It was also noted that Verona and Durhamville are in the process of going to the City of Rome, as the City of Oneida can only commit to a certain number of gallons a day due to our limited water supply, and they foresee needing a demand higher than what we can provide.
- Chemicals and the projections were discussed, as well as the increase in associated cost.
- General Maintenance-he discussed the plant that was built in 1979 and that most repairs are done in house. He is allocating \$10,000 for a split air conditioning system, as the outside unit is not working properly. He noted that no money has been spent on this in years. Councilor Coulthart inquired as to whether ARPA Funds can be used for these expenses, and the Comptroller advised that they could; however, Superintendent Smolinski advised that he discussed this with the Mayor and advised that the City not spend our Federal funds on something that will also benefit other municipalities that are our customers. Superintendent Smolinski advised that those funds should

stay within the City of Oneida to benefit just the City. The Comptroller explained that water was not excluded from what the ARPA Funds could be used for, so if there was something within the City that would benefit the City, Council could approve for the funds to be used from that budget.

- Meters Replacement Program is to replace all small meters greater than 19 years old with new meters. This includes installation and the fair distribution of the cost of service. He noted that he has a meter bid out now, but there might be delays in receiving them. He stated that although he bids enough in advance, it takes a long time to receive them.
- Contract Agreements are for subscriptions, such as Tyler Technologies for the billing program, Auto Cad, Meter reading software etc. This is also for the maintenance agreements for the generators, anti-virus and Marble Hill Water refund.

There was a question about a request under the Office Technology line, whereby this expense was also included in contract agreements, so this will be changed (approximately \$32,000 less).

- The Superintendent then went through other line items, describing each, as well as the revenues associated with the Water Fund and also Capital Projects. There was discussion on billing and on-line payments as well, noting that our system has more capabilities that can be explored. Water turnoffs were also discussed and how the process works, including billing, past due notices and hearings, which are usually done once a year but can be done more frequently. He suggested that they might be done sometime between January and March this year, as they were not done in 2021 due to Covid.
- The projected water sales are used for calculating the water rates. The Water Department gets money from water sales and misc. revenue (specific services for individuals that are not normal water services, such as replacing frozen water meters, the installation of new water service, pressure test and chlorinate a new water main and hydrant work).
- The Water Department bills for the Sewer Department, and they pay \$77,000 for this service, which includes buying the meter, part of the Meter Reader's salary etc. He then explained that they try to generate the entire customer service cost on the minimum charge. The cost of production, transmission and distribution system is divided by the number of gallons proposed to sell within the City.
- The current rate for 2021 of \$4.92 will go down to \$4.80, which will reflect .22 cents per thousand gallons on their water bill. This should be a savings of approximately \$4.00 per quarter. The same savings will apply to wholesale.
- Based on his budget, Superintendent Smolinski advised that the only variable is the cost of chemicals added to the water; all others are fixed costs.

Superintendent Smolinski then addressed hydrants, which he noted are maintained in the City with a tax. He gave an example whereby if your house or building is located within 600 ft from a hydrant, you will pay a hydrant tax. If you live in the outside district where there is no public water and/or not within 600 ft from a hydrant, you do not pay this tax. Materials and equipment and labor are for costs associated with maintaining the hydrants and keeping them free from snow and debris during the winter. The total expenses are projected at \$59,498, of which \$22,000 is equipment, and \$27,200 was budgeted for 5 new hydrants (as the price came in higher, they will only be able to purchase 4); equipment is \$9,500 and \$28,000 in labor. Revenue will come from taxes and private hydrants that the City maintains (Hospital, HP Hood, White Pines and others which have Agreements with the City).

He stated that there is a projection of approximately \$89,000 in the Fund Balance for the Hydrant Fund, and in order to reduce this, as they should only have a percentage in there, it will be used in increments (\$20,000 next year and \$18,000 the following year), so that it will be at a curve where the taxes are equal to what they are spending. This is better for the taxpayers to keep it low.

- He reviewed the historic cost of water, noting that water rates have gone up, but are under the rate of inflation.
- He then further discussed Capital Projects, including Glenmore Dam, Lake St. Pump Station, Fixed Base Metering and the WTP Second Clearwell-which is carried over into next year's budget. There is an ongoing project right now to install a second Clearwell at Glenmore. Currently, they cannot clean or make repairs to the existing Clearwell, as it is the only one. Having a second Clearwell will allow for this and will allow to take one offline if necessary. Also, for chlorine to work, it needs a dose and time due to regulations. Currently, the dose of chlorine must be increased due to storage limitations. Having a second Clearwell will allow the dose to be kept lower for a better tasting water and lowers chemical costs and corrosion. Chlorine has been reduced by approximately 20% since 2005, which helped with corrosion.
- The Fixed Base Metering Project was discussed, and Superintendent Smolinski felt that the cost associated with this is expensive, and he feels it should be removed. He noted that although other municipalities were using it, there were some issues, and in his opinion, not worth the cost.

The Council thanked Superintendent Smolinski for the work he did on his budget.

#### CODES DEPARTMENT

Codes Director, Bob Burnett, addressed Council stating that he asked to have a meeting primarily to discuss the Account Clerk position and how he would like this position changed to Administrative Assistant. The Administrative Assistant position would pay a higher salary, but would account for additional responsibilities that he felt were necessary for the department to function efficiently.

He reviewed his budgeted line items as follows:

- Salaries are contractual
- Overtime is for the Codes Enforcement Officer to attend Planning and Sign Board Meetings and for any issues that arise with City owned houses that require attention outside of normal work hours.
- Equipment is for inspections, office equipment and Total Solutions (IT)
- Materials and Supplies are to cover the cost of any supplies needed for houses that are taken back by the City for unpaid taxes. This also covers marketing and some additional vehicle graphics.
- Training covers the Central Conference and any additional certifications needed to maintain licenses. It is estimated at \$420 per person (3).
- Clothing Allowance is for uniforms for the Codes Department staff. This allows for a professional appearance, which makes them easily recognizable by the public. There was discussion from Council regarding the necessity and cost (budgeted at \$1,600). It was advised that this is something that was carried over from when Codes fell under the Fire Department.

SEWER EXPENSES

The City Engineer and Comptroller went through the Sewer Fund Expenses. There were 2-line items that the Council agreed they would like to revisit after more information is provided.

1. Chemical Expenses (Chlorine, Polymer and Iron Salt): The City Engineer advised that he felt the figures for these should be higher based on anticipated cost increases from the suppliers, and an additional \$50,500 has been projected. Council agreed to investigate this further and consider options for adding funds back into this category.

Chlorine:	Budget	\$26,500	City Engineer	\$45,000	Difference	\$18,500
Polymer:	Budget	\$108,000	City Engineer	\$120,000	Difference	\$12,000
Liquid Salts:	Budget	\$100,000	City Engineer	\$120,000	Difference	<u>\$20,000</u>
<b>TOTAL:</b>						<b>\$50,500</b>

2. Roof Replacement at the old Administration Building and the Boiler Room: The Mayor removed \$100,000 from the proposed budget, advising the City Engineer and Comptroller that she was working with ESG (Energy Systems Group) on this and hoping to include it in the WWTP Expansion Project. City Engineer Rowe noted that the roofs in these areas are currently leaking. The former Administration Building is not being replaced and is still being used. The Comptroller does not know if there is a formal agreement yet with ESG but agreed to check with the Mayor and advise Council.

There was discussion among Council regarding:

- Professional/Contractual services-it was noted that this was for both professional and consulting services for the WWTP. The City’s WWTP Chief Operator retired, and to date has not been replaced. Due to regulatory requirements, it is necessary that the “Operator of Record” for the WWTP be Grade 4A certified. Currently, the City does not have a Grade 4A certified operator on staff. Therefore, it has been necessary to use outside sources to meet this requirement. There are currently 2 Grade 3A operators on staff, one of which has already been approved to take the examination for Grade 4A certification as soon as December. The Comptroller advised that the Chief WWTP Operator position was already budgeted for under salaries, so this would not need to be added into the budget. She advised that the savings could be put back into the Sewer Fund or used for anything else Council decided, such as to compensate for the increased chemicals costs noted above.
- It is anticipated that the payments to the Madison County Landfill for the continued disposal of the City’s WWTP biosolids will be required. It was noted that this will decrease as the City accepts a higher amount of leachate. Deputy Mayor Simchik explained that the City has a current contract, which provides for biosolids disposal in exchange of accepting the County’s leachate. If the City does not accept leachate, we must pay for the disposal of the biosolids. It was noted that this budget must be put together based on the current contract, as it has not yet expired. Councilor Coulthart shared his opinion on these payments, stating that he does not agree with an “exchange for services,” and there should be some type of compensation from the County for their contribution to the problem at the WWTP. Councilor Earl advised that new terms and conditions could be put into any new contract(s) going forward but concurred with Deputy Mayor Simchik that in the meantime, the bills need to be paid, and they need to have something in the budget to cover this expense.

- The Elm Street Sewer Extension (Capital Project 22-6)-this project includes sewer service to a portion of West Elm Street which was not included in a previous Capital Project.
- WWTP Expansion-HP Hood (dedicated forced main-not part of operating budget)/\$2.8M- Councilor Coulthart feels HP Hood should pay for this on their own based on the results/evaluation in the Ramboll Report which showed they were a major contributor to the problem at the WWTP. Councilor Simchik advised that HP Hood was not the only contributor, and this dedicated force main and pump station (direct line) will also benefit the City since it gives the City more control over what HP Hood sends to the WWTP. If there were to be a problem, the City would have the ability to shut it off.
- How bonding works for Capital Projects and the different funding options-The Comptroller advised that regarding the DPW Relocation Project, the City would not bond for what is being taken out of the Sewer and Water Funds, only the General Fund portion. She said Council could choose to have the \$35,750 Sewer portion taken out of this budget and include it with the Serial Bond, especially if having to bond for this project anyway if they wanted to.
- Increasing the 2022 Sewer Rates: There was discussion about the fact that rates had not been raised sufficiently in years. Although they were raised 20% last year; it was advised at that time that 20% was not going to be enough to cover the bond payment, and the rates would need to be addressed again going forward.

The Comptroller explained that a 20% increase would cover the 2022 interest payment on the BAN, noting that the interest payment is in this budget, and the City will be fine for 2022. She advised Council to keep in mind though that when the City goes to bond, you are adding not only interest, but also the principal payment, which would be over \$1M added to this budget for the next 30 years.

- The 20% figure was discussed, and Council asked the Comptroller and City Engineer to run figures based on other percentages to determine how much of an increase would be needed to cover the bond payment and to provide Council with a recommendation and projection for the next few years.

In closing, Deputy Mayor Simchik addressed the Council advising that although the Budget as presented reflects a 0% tax increase, in order to make that happen, \$354,000 will be coming out of the Fund Balance. Of the \$354,000, approximately \$200,000 will be for the 3 Union Contract's Salaries. He advised that \$95,000 was coming out of the ARPA Fund to cover the salt bill, \$120,000 for trees and \$200,000 for sidewalks. He stated that the Budget also allows for 7 new positions, including 3 for the Police Department, 3 DPW and 1 for Parks and Recreation, noting that when it comes to the 2023 Budget, the City will not have those funds from the ARPA to use if we use them all now. He stated that he was not advising that the positions were not needed as well, but wanted to remind Council that when it comes time to do the 2023 Budget, there will not be funding from the Federal Government that this year's budget reflects to cover those expenses.

Deputy Mayor Simchik stated that other than pool salaries being substantially higher than normally used and budgeted for in the past and the 7 new positions, everything else is what the City needs to function based on what residents want. Councilor Earl stated that she does not feel the Department Heads over asked in their budgets and that she prefers to meet with each and then decide.

There was discussion about the ARPA Fund, and the Comptroller stated that this was its own budget for

Council to review. She advised that they do not have to allocate funds for the named projects (other than EMS for Fire, which is crucial), they can add more, take away or change as they choose; however, she noted that the funds are meant to offset the loss of revenue that the City experienced due to Covid and that it keeps the taxpayers from having to pay for that loss. Comptroller Wells stated that the funds must be used by 2024. Councilor Earl commented that she would rather hold on to some of the ARPA money and not use it all at once, as Deputy Mayor Simchik advised that approximately \$900,000 is being used in this budget alone for 2022, leaving roughly \$200,000 until 2024.

Deputy Mayor Simchik stated that they could continue discussion on these items Monday night after the Police Budget Meeting or after the Regular Council Meeting on November 16. He stated that the calendar was limited, and he had only so many days available to meet prior to the deadline.

Motion to adjourn by Councilor

The special meeting is hereby adjourned at 8:40 p.m.

**CITY OF ONEIDA**

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Sandra LaPera, City Clerk