

**MINUTES OF THE COMMON COUNCIL
NOVEMBER 19, 2018**

A special meeting of the Common Council of the City of Oneida, NY was held on the nineteenth day of November, 2018 at 6:00 o'clock P.M. in Council Chambers, Oneida Municipal Building, 109 N. Main Street, Oneida, NY.

Meeting was called to order by Deputy Mayor James Chamberlain

PRESENT: Councilors Alan Cohen, Michael Bowe, James Coulthart, Helen Acker (arrived 6:13 pm and left at 7:15 pm) and Thomas Simchik

ABSENT: Mayor Leo Matzke

ALSO PRESENT: City Clerk Susan Pulverenti
Comptroller Lee Ann Wells
City Engineer Eric Schuler
Water Superintendent Arthur Smolinski
Water Superintendent George Kalkowsky

DISCUSSION - 2019 CITY OF ONEIDA MAYOR'S BUDGET

Water Department

Water Superintendent Arthur Smolinski went over his submitted budget. He said that the 2019 projection is that they will sell less water in 2019, but more than was sold in 2017. He said that there is a projected increase in monthly water sales, which is due to go from 3 to 8 customers, but quarterly customers will remain steady using about the same as projected in 2018. He said that he estimates the total sales for 2019, including both wholesale and retail customers will be 833.135 MG year.

The Superintendent moved onto the Equipment inventory, stating that the skid steer is scheduled to be replaced, as is the A/C at the Treatment Plant. He said that the Department is projected to pay \$424,892 in taxes (Towns, Library, Village, County, School, and Fire District) to various entities, as some municipalities seem to be holding the line on tax increases. The Superintendent said that they have a bid opening for chemicals used in water treatment next week. He said that the prices may be up, but because of the competitive bid it is hard to tell. He said that the chemical contract for Caustic Soda was extended by the current supplier, so that rate will remain the same. He said that they are going to bid for pipes. He said that the lead time for receiving pipe has changed, so he will be ordering to restock the department should an unscheduled task be needed. He said they only had one project this year, as he hasn't finished the design on N. Main Street as of yet.

The Superintendent said that they currently have 2 outstanding bonds. He said that the Fish Creek Project will be paid off in 2029, and the Baker Tank Project will be paid off next year, which will result in a \$270K year drop. He said that the Glenmore Dam Project is pending, with the first bond payment projected for 2020. He said that he had budgeted for \$1.5M to come out of the Water Fund Balance for this project; however, the City Engineer decided not to do that. He said that the Water Fund Balance could still be used to offset the initial jump in the bond. Superintendent Smolinski said that the Water Treatment Plant is 40 years old and has never had any major updates, noting that system improvements are estimated at \$25M. He said that even though that sounds like a lot of money, it is still cost effective for the City to make the improvements and continue to have control over the destiny of our own plant, rather than buying water from another supplier.

The Superintendent moved onto the staffing and salaries line, noting that he has no change in staffing levels, but a new hire will be filled by the end of this year. He said that he has budgeted for 100 meters to be purchased next year. He said this program is moving along according to the plan, whereby meters 19 years old are replaced, and he projects replacing 82 next year. He briefly discussed the big meters that are set in various locations. He said that the Department should work at taking better control over all the big meters to be more efficient. The Superintendent said that the doors at the shop are budgeted for replacement next year.

Superintendent Smolinski said that he is not sure if the postage costs are going up, but the utilities and phones are estimated to remain the same. He said that the dollar amount estimated for contracts will most likely change, depending on the transition from KVS to Tyler Technologies. Under the Lab Testing portion of the budget, the Superintendent said there is extra funding budgeted to cover the testing for UCMR (Unregulated Contaminant Monitoring Rule) as required by the EPA (Environmental Protection Agency). He explained that this is to check to see what's in the environment, so the EPA can make a determination as to if regulations will be required. The Superintendent said that his contingency line is down, and the insurance lines have remained the same. Supervisor Smolinski said that for some reason of which he is not aware, water maintenance workers pay the highest workers comp rate in the City. The Comptroller noted that Police and Fire rates are much less, with office staff being the lowest.

The Superintendent explained that each year the Water Fund provides monies to the General Fund, and this year it amounts to \$72,117. He said this is for services provided to the Water Fund by the Comptroller, Assessor, City Clerk's offices, etc. The Water Superintendent explained how the calculations for water rent are configured. He said this is based on a 1979 formula, which is recalculated every year. He said that they know how much it costs to produce the water. He said those costs are divided up by cost per gallon, with 16,000 bills issued each year. He went over the anticipated water sales to wholesale and retail customers, explaining how the rates are broken down. He also explained the breakdown of projected water sales, which incorporates production, transmission, distribution, customer service and water rents. He said that to provide water, the rate is \$2.5730 per gallon quarterly and monthly. He said that they also charge back the Sewer Fund for services rendered for that department. The Water Superintendent said that water rates this year will remain the same for retail customers, and the wholesale rates will decrease by 10 cents a gallon.

The Superintendent said the Hydrant Fund portion of the budget is basically the same. He briefly went over the Water Department's Capital Plan, which includes cleaning two storage tanks in the distribution system at Baker Reservoir and two at the Glenmore Treatment Plant. He said the other Capital Project is the Glenmore Dam Rehabilitation to strengthen and raise the dam to meet current stability standards. He explained a graph showing that, historically, water rates have gone up less than inflation. He said that slow and steady maintenance on the system is better than putting it off. The Council briefly discussed the Water Department budget with the Superintendent fielding several questions about radio meters, our rates in comparison to other city's/authority's, the Water Reserve Fund, and how the dialers work in power outages or other emergencies. The Water Superintendent thanked the Council, and the Council thanked the Superintendent, noting that this was his last budget meeting.

Recap of the Budget

The Council relooked at the laborer/CDL and laborers positions and opted to change to 2 laborers, leaving three laborer/CDL positions, which results in a savings of \$15,954. The Police Department budget was revisited with respect to hiring two officers. After discussion, the Council decided to hire one Police Officer in February 2019 and another in June to save about a half year of funding. Pending retirements were briefly discussed. The Comptroller said that approximately \$85K will be put in the Retirement Reserve Fund this year, adding that she will need a couple of years to watch this new account line to see how it fluctuates and what normal payouts will look like. The Deputy Mayor said a tentative agreement

has been reached with the Fire Union. He said that the Council will need to add money to contingency. The Council discussed taking additional money from Fund Balance, and the Comptroller stated that she estimates approximately \$100K will be put back into Fund Balance at the end of this year. The discussion moved to the Fire Chief's new truck, and it was decided to pull the funding. The Comptroller said that \$1,000 can be removed from the Technology line in the Police Department. The Council moved onto various salary lines, and a lengthy discussion ensued. The Council asked that the Recreation Director be contacted to come to the meeting tomorrow night.

The next Budget meeting will be Tuesday, November 20, 2018 following the regular meeting.

Motion to adjourn by Councilor Bowe

The regular meeting is hereby adjourned at 9:15 p.m.

CITY OF ONEIDA, NEW YORK

Susan Pulverenti, City Clerk