

**MINUTES OF THE COMMON COUNCIL  
JANUARY 6, 2015**

A regular meeting of the Common Council of the City of Oneida, NY was held on the sixth day of January, 2015 at 6:30 o'clock P.M. in Council Chambers, Oneida Municipal Building, 109 N. Main Street, Oneida, NY.

Meeting was called to order by Mayor Alden M. Smith

**PRESENT:** Councilors Brahim Zogby, Michael Bowe, Erwin Smith, Helen Acker, James Chamberlain, and Thomas Simchik

**ALSO PRESENT:** City Attorney Nadine Bell  
City Clerk Susan Pulverenti  
City Engineer Jon Rauscher  
Director of Parks and Recreation Lucas Griff  
Director of Planning and Development Cassie Rose  
Fire Chief Kevin Salerno  
Police Chief David Meeker  
Public Safety Commissioner Michael Kaiser  
Supervisor John Reinhardt  
Supervisor Scott Henderson

**OLD BUSINESS**

Councilor Zogby asked about the status of the monies coming to the City from Madison County relative to the Oneida Indian Nation and asked about a time frame for resolving this issue. The Mayor said there has not been any additional communication since the \$101K was committed to earlier this year, and he said there is a difference of opinions relative to the additional monies due the City for the outside fire district and hydrant taxes. Supervisor Henderson said the County Attorney is researching the agreement to see if the Nation is exempted from those extra fees and if those items are determined not to be collectible from the Nation, then it would be appropriate for that to be part of the City's reimbursement from the County. Supervisor Reinhardt reiterated that the County Attorney's office is looking into this matter.

Moved by Councilor Acker  
Seconded by Councilor Simchik

**RESOLVED**, that the minutes of the special meeting of December 31, 2014 are hereby approved as presented.

Ayes: 6  
Nays: 0

**MOTION CARRIED**

Moved by Councilor Smith  
Seconded by Councilor Simchik

**RESOLVED**, that Warrant No. 1, checks and ACH payments in the amount of \$38,179.10 as audited by the Voucher Committee is hereby approved for payment in the usual manner at the discretion of the Comptroller.

Ayes: 6

Nays: 0

**MOTION CARRIED**

**ORGANIZATIONAL RESOLUTION**

**RESOLUTION 15-01**

Moved by Councilor Simchik

Seconded by Councilor Acker

**RESOLVED**, that the Organizational Resolution for the year 2015 consisting of the following is hereby approved:

1. Regular meetings for the City of Oneida for the year 2015 shall be held in Council Chambers, Oneida Municipal Building, 109 North Main Street, Oneida, New York at six-thirty o'clock P.M. (6:30 p.m.) on the first and third Tuesday of each month, and if any of said Tuesdays shall fall on a holiday, then in such event, the Common Council shall agree on a date to reschedule.
2. The Oneida Daily Dispatch is hereby designated as the official newspaper in the City of Oneida.
3. The City of Oneida funds for the year 2015 shall be kept and retained in the following banks:
  - J.P. Morgan Chase Bank, Oneida, NY - General Fund savings account, and special capital accounts
  - NBT Bank, Oneida, NY - special capital accounts and other current accounts
  - State Bank of Chittenango, a wholly owned subsidiary of the Oneida Savings Bank, Oneida, NY- special reserve accounts and other current accounts
4. There shall be one bond, which covers all employees, and the limit is \$350,000 worth of coverage per loss.

Ayes: 6

Nays: 0

**MOTION CARRIED**

**SCRAP METAL**

**RESOLUTION 15-02**

Moved by Councilor Chamberlain

Seconded by Councilor Acker

**RESOLVED**, to authorize the Department of Public Works, Waste Water Treatment Plant, Water Department, Fire Department, Police Department and Recreation Department to sell scrap metal at a fair market price, as accumulated, for the remainder of the year.

Ayes: 6

Nays: 0

**MOTION CARRIED**

**BUDGET TRANSFERS**

**RESOLUTION 15-03**

Moved by Councilor Acker  
Seconded by Councilor Simchik

**RESOLVED**, to approve the following budget transfers:

AMOUNT	FROM	BALANCE	TO	BALANCE
\$61,282	002.0017.2140 (Water Receivables)	\$2,880,365	002.0024.5031.8110 (Transfer from Sewer)	\$61,282.00
	(To account for new Sewer transfer to Water for the 2015 budget)			
\$1,300	002.0002.0599 (Water Fund Balance)		002.8300.0101 (Water Salaries)	\$825,294.00

(To increase salary line in water for raise for the part-time clerk).

Ayes: 6

Nays: 0

**MOTION CARRIED**

**PROPOSAL FROM GHD CONSULTING SERVICES, INC.**

**RESOLUTION 15-04**

Moved by Councilor Simchik  
Seconded by Councilor Bowe

**RESOLVED**, that a budget amendment in the amount of \$30,500 from the Water Fund Balance to Water Contracts (002.8300.0403) be hereby authorized, **and be it further**

**RESOLVED**, that the proposal from GHD Consulting Services, Inc., One Remington Drive, Cazenovia NY dated December 10, 2014 is hereby accepted in the amount of \$27,100 for developing a hydraulic model of the City's system, **and be it further**

**RESOLVED**, that the Water Superintendent is hereby authorized to expend funds for said project.

Ayes: 6

Nays: 0

**MOTION CARRIED**

City Engineer Jon Rauscher said a grant was awarded in 2013 to the City of Oneida and five local municipalities for a Smart Grid Study, which includes the development of a hydraulic model of interconnecting water supply systems in Oneida, Rome and Mohawk Valley. GHD is working on that

also. Tonight's proposal is to have GHD Consulting Services, Inc. develop and provide a calibrated hydraulic model of our City's water distribution system. Each of the other communities involved already have hydraulic models of their systems.

### **WAIVE RULE TO ACCEPT AGENDA ITEMS**

#### **RESOLUTION 15-05**

Moved by Councilor Smith  
Seconded by Councilor Chamberlain

**RESOLVED**, that per Resolution 08-180 adopted by the Common Council on August 19, 2008, the provisions of the procedure to accept agenda items is hereby waived.

Ayes: 6  
Nays: 0

#### **MOTION CARRIED**

#### *Discussion of a Power Purchase Agreement with groSolar*

Mayor Smith apologized for bringing two additional items to the Council agenda so late, but said things have developed swiftly. The Mayor said he has been keeping the Council apprised that we have been looking into solar initiatives, noting that the City Engineer, Planning Director and he had met with them twice. The Mayor said there has been a rather dramatic change in the law and read a portion of a letter he received. He said this is a unique opportunity for the City of Oneida to benefit from solar energy savings. The Mayor said he is talking about a 2.8 megawatt solar energy project with no capital investment from the City over a 25 year period, no maintenance costs, and an approximate savings to the City of \$100K in the first year alone. The Mayor said that savings would grow to over \$300K in year 2025. The Mayor said the door to this opportunity is closing very rapidly, so the City has to get its assurances to RER and groSolar so they can bring this to NYSERDA by January 15, 2015. The Resolution will authorize the Mayor to enter into a Power Purchase Agreement (PPA) with groSolar.

The Mayor introduced William Buchan, Environmental Counsel for the County for over 20 years. He stated he has worked on three solar projects at the County landfill. He said the solar opportunities have gotten better because the cost of the equipment has decreased dramatically. Last year, NYS through NYSERDA put out \$100B in grant opportunities for communities to go into solar energy on a very large scale. He said a normal home is generally 5-7 kilowatts and what we are talking about with this proposal is 2.5 million kilowatts. He explained how the process of bidding on the grant funding worked. The grants are awarded to the developers, not the communities. Attorney Buchan said that another community was awarded the option of this project, but the developer found out when they did their final calculations that the amount of money budgeted to connect to that system was far more expensive than planned, and the community would have had to pay the difference. The community opted not to go forward with the project. The developer began contacting other communities who might like to avail themselves of this grant opportunity, and the City of Oneida was contacted. He said \$100K should be saved by the City in the first year, and the curve should continue. Attorney Buchan explained that a PPA is a three party deal. The first party is the City who is going to buy the electricity at a certain price. The second party is the folks who install it, put it together and operate it for RER and groSolar. The third party is the investor who is looking for federal tax credits and a quick return on their investment from this arrangement.

Attorney Buchan said that last year, the Public Service Commission made a landmark ruling that if you create a stand-alone meter and put all the power from the system into that meter, it's going to generate a

credit. The value of the credit is the retail price for both supply and demand. The credit the City is looking at is 12.8 cents, and the City will be paying 9.9 cents; the difference is \$100K in savings that will be generated through those monetary credits. Then on December 15<sup>th</sup>, the Public Service Commission determined that they were not going to allow this to be done anymore. However, if you were grandfathered in and already in the queue, you can still have the monetary credit, but going forward if you make a kilowatt hour, you can only offset another kilowatt hour. He said this doesn't mean the City can't do solar energy in the future; the City just won't have the flexibility as with the monetary credit. He said the monetary credits can be used in other ways too, such as economic development. The County is currently discussing the development of a municipality utility to distribute the low cost power. He said the City was in the right place at the right time to have this \$1.1M grant opportunity. The Resolution presented to the Council tonight portrays the essence of the deal and gives the Mayor the authority to negotiate the PPA to be sure the terms are right, and if so, send notification to NYSERDA by January 15<sup>th</sup> that the City is serious about moving forward with this project and wants to retain the grant.

The Mayor said he was very impressed with the County's initiative at the meeting earlier today. He said there is nothing that precludes the City from going ahead with this project and then also adding another level by participating in that initiative the County is developing. Attorney Buchan said the 9.9 cents is flat and does not change for 25 years; you will be paying today's rate 25 years from now, which works to the City's advantage. He urged the City to take advantage of this very good deal.

Councilor Zogby inquired if National Grid is negotiating to compensate or if a comparable arrangement is being prepared by them. Attorney Buchan said the Public Service Commission took away the monetary credit in response to the utilities concerns, noting this is where the kilowatt for kilowatt came into play rather than the monetary credit. Councilor Zogby said, if this Resolution is authorized, an agreement will be created and negotiated that the Mayor will sign without the Council approval. The Mayor said most of the specifics of the agreement are in the proposed Resolution and are not going to change substantively. The City Attorney said there will not be a lot of variation. Councilor Zogby questioned what was on file with the City Clerk as stated in the Resolution. Attorney Buchan said he has six or seven PPA's on his desk, all of which have to be done by January 15<sup>th</sup>. He said, because he knew the City had this opportunity, he drafted the proposed Resolution to provide the Council the specificity of the term sheet within the Resolution itself. The term sheet will give the economics of the project. The authorization is to negotiate to present an agreement that is consistent with those terms. He said if the Council gives the Mayor's office leeway to negotiate both the price and terms, we should be able to deliver a PPA that meets the spirit and intent of the document. Councilor Bowe moved the proposed Resolution to bring it to a vote.

**AUTHORIZING THE MAYOR TO ENTER INTO A  
POWER PURCHASE AGREEMENT WITH GROSOLAR**

**RESOLUTION 15-06**

Moved by Councilor Bowe  
Seconded by Councilor Chamberlain

**WHEREAS**, the City of Oneida ("City") accepted a proposal for development of a 2.8 megawatt ("MW") solar energy project by groSolar ("GS") pursuant to a request for proposals under Article 9 of the New York Energy Law for an energy performance contract ("Power Purchase Agreement" or "PPA") under which GS through a single purpose corporation will build, finance, own and operate a solar powered photovoltaic array located in or near the City of Oneida that will generate electricity and transmit it into the statewide power grid through a dedicated meter for the purpose of producing a monetary credit established by the New York Public Service Commission

("PSC") as the so called "Remote Net Metering Credit ("RNMC") equal to National Grid's retail rate for supply and delivery prevailing at the time power is transmitted into the grid; **and**

**WHEREAS**, the City determined that GS's proposed PPA for a 2.8 MW solar array would cost the City \$0.099 per kilowatt hour ("kWh") or less, with zero percent (0%/year) escalation factor for each kWh of electricity produced by the array over a 25 year period with a capital investment of zero dollars (\$0.00 investment) by the City; **and**

**WHEREAS**, the difference between the RNMC (currently \$0.128/kWh) and the PPA rate (\$0.099/kWh) will produce a net benefit to the City of \$0.029/kWh in the form of a monetary credit that can be applied across virtually all of the electrical meters owned by the City will generate an approximate savings of \$100,050 in the first year compared to its current arrangement with National Grid; **and**

**WHEREAS**, the PPA is expressly contingent upon the project qualifying for a grant by the New York State Energy Research and Development Authority ("NYSERDA") under its Program Opportunity Notice ("PON") 2956 which grant has been awarded to GS in the amount of \$1,148,000 contingent upon execution of a PPA by the City and GS before January 15, 2015.

**NOW, THEREFORE, BE IT RESOLVED**, that the Mayor is hereby authorized and directed to execute a PPA with GS substantially consistent with the term sheet on file with the City Clerk; **and**

**BE IT FURTHER RESOLVED**, that the Mayor is hereby authorized and directed to execute a PON 2956 grant Acknowledgement Form and such other forms as NYSERDA may require to secure the grant funds available under all PONS applicable to the project; **and**

**BE IT FURTHER RESOLVED**, that the Corporation Counsel or designee is hereby authorized and directed to negotiate the final terms and conditions associated with the PPA: **and**

**BE IT FURTHER RESOLVED**, that this resolution shall take effect immediately.

Ayes: 5

Nays: 0

Abstain: 1 (Zogby)

**MOTION CARRIED**

**RESOLUTION OF THE COMMON COUNCIL MEMBERS OF THE CITY OF ONEIDA**  
**AUTHORIZING THE EXECUTION OF A PAYMENT IN LIEU OF TAX ("PILOT")**  
**AGREEMENT BY AND AMONG THE CITY OF ONEIDA,**  
**ONEIDA HOUSING GROUP LIMITED PARTNERSHIP**  
**AND ONEIDA HOUSING DEVELOPMENT FUND COMPANY, INC.**

**RESOLUTION 15-07**

Moved by Councilor Chamberlain

Seconded by Councilor Simchik

**WHEREAS**, the City of Oneida (the "City") desires to encourage a sufficient supply of adequate, safe and sanitary dwelling accommodations properly planned for individuals and families with low incomes; **and**

**WHEREAS**, Oneida Housing Development Fund Company, Inc., an Article XI New York Private Housing Finance Law corporation and a New York not-for-profit corporation (the “HDFC”), and Oneida Housing Group Limited Partnership, a New York limited partnership (the “Partnership”), identified a certain improved parcel of real property, located at 106 North Warner Street, City of Oneida, County of Madison, State of New York (the “Property”), for the purpose of developing on the Property a housing project for individuals and families of low income to be commonly known as Oneida Workforce Housing, said project consisting of: (i) the acquisition of the Property; (ii) the rehabilitation of the improvements thereon to provide for up to 40 units of housing for individuals and families of low income (the “Improvements”); and (iii) the acquisition and installation therein and thereon of certain machinery, equipment, furniture, fixtures and other tangible personal property (the “Equipment”, and collectively with the Property and the Improvements, the “Project”); **and**

**WHEREAS**, the HDFC has been formed for the purpose of providing residential rental accommodations for individuals and families of low-income; **and**

**WHEREAS**, the HDFC will acquire fee title to the Property, as nominee for the Partnership, and convey its equitable and beneficial interests in the Property to the Partnership in furtherance of the development of the Project; **and**

**WHEREAS**, the HDFC’s and the Partnership’s plan for the use of the Property constitutes a “housing project” as that term is defined in the Private Housing Finance Law of the State of New York (“PHFL”); **and**

**WHEREAS**, the HDFC is a “housing development fund company” as the term is defined in Section 572 of the PHFL and Section 577 of the PHFL authorizes the Members of the City Common Council to exempt the Project from real property taxes; **and**

**WHEREAS**, the HDFC is the general partner of the Partnership; **and**

**WHEREAS**, the Partnership and the HDFC are willing to enter into a PILOT Agreement whereby they will make annual payments in lieu of taxes to the City as set forth in the PILOT Agreement presented to this Common Council for approval, a copy of which is attached hereto as Exhibit A;

**NOW THEREFORE, BE IT RESOLVED** that the Members of the City Common Council hereby exempt the Project from real property taxes to the extent authorized by Section 577 of the PHFL and approve the proposed PILOT Agreement among the City, the Partnership and the HDFC, in substantially the form presented at this meeting, providing for annual payments as set forth in such agreement.

**BE IT FURTHER RESOLVED**, that the Mayor of the City is hereby authorized to execute and deliver foregoing PILOT Agreement on behalf of the City.

**FURTHER RESOLVED**, that this resolution shall take effect immediately.

Ayes: 6

Nays: 0

**MOTION CARRIED**

The Mayor said this is time sensitive. The City Attorney said this PILOT agreement will start once the property is closed on. This is initially for a 15 year term with renewals after that. There is a flat rate of \$32,000 the City will receive each year, and it can go up every year by 3% being based on HUD Medium Annual Income. The City Attorney said any special assessments are excluded from this agreement. This is for 40 units, and if they add more units the payment would go up each year. The Planning Director said a permanent name for the complex will be given at a later date. In response to a question from Joe Magliocca, the Mayor and Council agreed that a PILOT agreement was discussed early on in this process.

### **NEW BUSINESS**

Joe Magliocca, Oneida asked where the money the County is paying the City came from; the \$11.2M lump sum or the projected \$3.2. He questioned when the City made the agreement with the Oneida Indian Nation back in 2006 if the County and schools were made whole by the monies received from the agreement, and the Mayor replied yes.

Joe Magliocca, Oneida, stated that the Greater Oneida Kallet Civic Center and the Oneida Improvement Committee each received \$4,000 donations on December 30, 2014. The Kallet will be expanding the kitchen at the facility, and the Oneida Improvement Committee will be using those funds for easements and landscaping.

The Mayor extended his gratitude to Attorney William Buchan for his attendance this evening to discuss those solar issues and noted that two Supervisors are here tonight to support that initiative as well.

Motion to adjourn by Councilor Smith

The regular meeting is hereby adjourned at 7:20 p.m.

CITY OF ONEIDA, NEW YORK

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Susan Pulverenti, City Clerk