

**Auburn City Council Regular
Meeting
Thursday, April 9, 2020 5:00 P.M.
City Council Chambers
Minutes**

The meeting of the Auburn City Council was called to order at 5:00PM in the City Council Chambers 24 South St. Auburn NY by Councilor Giannettino.

- 1. Roll Call** – The City Clerk called the roll. Councilors Debra McCormick (by tele-conference), Jimmy Giannettino, Terry Cuddy (by tele-conference) and Tim Locastro were all present. Mayor Michael D. Quill was excused.

The following City Staff was present for the regular meeting:

- City Manager Jeff Dygert
 - Corporation Counsel, Stacy DeForrest (tele-meeting)
 - City Clerk Charles Mason
 - Planning Director Jennifer Haines
 - Acting Fire Chief Mark Fritz
 - Comptroller Rachel Jacobs
- 2. Pledge of Allegiance to the Flag** – Councilor Giannettino led the Pledge of Allegiance.
 - 3. Moment of Silent Prayer or Reflection** – Councilor Giannettino asked for a moment of silent prayer.
 - 4. Public Announcements** –
 - None this evening
 - 5. Ceremonial Presentations and Proclamations.** – none
 - 6. Public to be Heard** – none
 - 7. Approval of Meeting Minutes** - none
 - 8. Reports of City Officials**
 - A. City Manager’s Report**
 - We expect to commence work next week on a sewer line replacement on Orchard Street. This is work that's been planned for some time. That will take

care of a sewer line that runs on Orchard Street between Baker and Columbus. The current section of line is very old. It's made of brick and it continues to collapse on itself creating backups in that area. That will be underway next week, equipment is already staged.

- We're anticipating, again, an early start to the road program. Given the current circumstances may be a good thing. It's good that we can start early at this point in time. With less traffic out, it will be less disruptive. We're expecting that to start the beginning of May. contracts have been finalized and they're just some of administrative work going on with the contract how to get that going
- Staff continues to work on regular tasks associated with providing city services to Residents and businesses. In addition, we're also working on several items related to the coronavirus situation. It should be noted that the Cayuga County Health Department is the agency responsible for the medical and public health aspect of the local response. Our departments and staff follow the Cayuga County Health Department's directives on matters related to Public Health. I say that because we get questions on occasion that are actually questions that are better suited for the Department of Health. I think there are a lot of cases where the public doesn't realize the difference in who conducts certain aspects of business.
- Our city parks remain open for walking and biking, where permitted. However, our city playground equipment, basketball and tennis courts are closed as per an order issued earlier this week. I know the public can't see but we brought in some signage for the counselors that are here to see what's in place at our parks.
- Our police, fire and codes departments were issued guidance earlier this week on handling complaints for businesses not complying with New York State executive orders related to occupancy or dealing with groups of individuals not complying with New York State executive orders related to gatherings and social distancing. We've been fortunate. We haven't received too many complaints. We do on occasion receive complaints related to violations of those things, so we have a process in place to deal with them.
- Staff from our Planning and Fire departments continue to reach out to local service organizations, senior living facilities, assisted living facilities, etc. to assess their changing needs. In an attempt to address those needs, in a variety of ways and whether that's us directly taking part in and getting them services or things that they need or putting them in touch with another organization that can fill that gap. We continue to do that on a weekly basis. So far, most of those organizations and facilities are doing well, with just some minor needs here and there.
- Our planning department has been busy keeping updated on emerging federal and state economic incentive programs for businesses not-for-profits, housing and Human Services. They are coordinating with agencies including CEDA to avoid duplication of efforts and the share of the tremendous responsibility of community outreach program Administration compliance and simply keeping up with the rapidly changing rules of a number of programs. earlier this week we CEDA a brief overview of the city of Auburn businesses they have communicated with regarding some of these new programs that are out there to assist those businesses. CEDA replied that they have worked with a total of 126 Cayuga County businesses as of Tuesday. They had communicated with 81 city of Auburn businesses that include 6 construction firms, 3 Brewers, 2 entertainment business, 15 food service business, 8 related to health and wellness, 1 Hotel, 6 manufacturers, 3 not-for-profit, 17 retail establishments, 7 salons, 4 transportation

related businesses, and 9 businesses that work in the “other” category. So they've been busy.

- We appreciate that our planning department continues to work with HUD on the recently-announced allocation of \$523,452 to the city of Auburn. Details of the use and the rules for this funding continue to evolve. Some highlights that we are currently aware of, the public comment period may be reduced to not less than 5 days for an expedited process, and HUD is encouraging prioritizing low and moderate-income support. Planning department is communicating with economic development, housing and Human Service organizations to better assess our local needs to roll that money out when it's available.

Councilor Locastro - Where do we stand with our staff now? I mean I know City Hall people are working from home; Police & fire are on the job. Where we stand with like DPW crews?

City Manager Dygert – DPW crews are coming in as needed. So during different events they'll come in. some of you may have noticed or may have even received complaints. I'm surprised if you haven't received some complaints about trees that were trimmed back on South St, for instance, by NYSEG for some power lines. Their crew came in and dealt with that. We are under some directive from New York State. If we go back to March 7th, the governor signed an executive order number 202 .4 for municipalities to reduce their staff by 50%. It's been recognized that may not be possible all the time depending on circumstances, but we have been encouraged to do our best to keep our staffing at 50%. So with that, a lot of the DPW crews have been sent home and they come in when a need arises or when something pops up. To that end, with the weather changing, I'm thinking the snow event we have this weekend is an anomaly and that will be the end of it. We know we are going to have to start mowing parks and public places soon, to keep things under control. So we will be pulling people in as necessary to take care of those.

Councilor Giannettino – on that topic, I understand the purpose of workforce reduction but there have been, I guess, exceptions to that rule. If people are working outside, not in the same building together, can't we apply for one of those exceptions? I mean, the work needs to get done.

City Manager Dygert – The exceptions that I have seen are exceptions for private sector. We can continue to look into it. NYCOM has our back on those things. When we get regular updates every couple of days from NYCOM that attempt to interpret the intent of some of these executive orders and go the extra step to get further clarification from the various New York State departments that are responsible for different things. As of yet, we haven't received any sort of blanket exception on that. There's been a lot more discussion about the private sector and exceptions. We're doing our best to comply but still provide necessary services.

B. Reports from members of Council

- none

9. Matters to Come Before Council

A. Staff presentation preliminary budget for the 2020-2021 Fiscal Year – Ms.

Jacobs

City Manager Dygert – earlier in the week and last week Ms. Jacobs and I spent some time together. Rachel has gone through and did a significant amount of work. Working off of last year's budget and trying to whittle this one down and I think she's done a good job. As we spoke at the meeting last week; we wanted to try to simplify this process. I know it's not what we normally would do. There are at this point in time so many questions that remain unanswered and we don't expect that we have good solid accurate answers to a lot of those questions. So I will let Rachel explain where we're at right at the moment. After this, next week was the department presentations at the work session. But essentially, the only thing on the agenda for next week would be discussion of this budget. The following week would be, with any luck, some sort of council approval or guidance on the budget so we can move forward.

- **Ms. Jacobs** - what we are first going to do is go through the actual presentation and then if we have a budget specific questions. I have each budget in here as well. The general fund expenditure budget for this recommended budget is \$35.6 million. That's a 5.5% decrease over last year's revised budget. Our current gap which could possibly be filled with fund balance at this point is \$468,000. The total tax revenue increase is approximately 1.9%. The total tax revenue increases approximately 1.9% and that's based on the compliance with the state tax cap and that calculation. We're still currently in general compliance with our 5-year plan. Items to know based on the general fund expenditures, there were no positions added or removed in this budget. All the salary and wage increases that are in here are based on actual contractual increases or CVA language. The health insurance will use a 10% increase projection for the second half of the year. General fund revenues, again, as I mentioned the property taxes would be a 1.9% increase which equates to \$230,000. Sales tax, we're predicting no increase or decrease at this point we just have that flat with last year. Our pilots increased 23% this year which is an increase of \$111,000. We're anticipating about a 4.2% increase for our code enforcement grass, snow, trash removal, which is \$5,000. We also have received the LISC grant for which is the amount is \$56,000. this year.
- **Councilor Giannettino** - for those watching at home can you explain what the LISC grant is?
- **Ms. Jacobs** - I don't know the terminology of it but it is a grant that funds part of our code enforcement and part of our Planning Department salaries and Corporation counsel. This slide is a year-to-year comparison over what are 2020 revised was versus the 2021 recommended. As you can see there are a lot of decreases compared to last year. The general fund decreases 5.5%. The solid waste fund, which is essentially our landfill fund, shows a decrease of 73%. That is based on the assumption that as of July 1st the landfill will essentially be closed. The refuse collection went down

30%. Our power Utility Fund was slightly up. The transfer station is obviously a new fund this year, so that has no change compared to last year. The Water fund is a decrease of 14% and the Sewer fund was a decrease in expenditures of 4%. Taking a look first at Municipal Utilities, the Power Utility Fund currently has a gap deficit of \$360,000. Approximately \$310,000. of that is based on the debt service from the CoGen facility. The sewer fund, that one can be balanced completely without a balance transfer, as well as, no rate increases. The Water fund has no rate increases as well. Currently, there is showing a gap of approximately \$132,000. which based on the previous methodology that was actually anticipated to start happening this year. That there would be a deficit compared to the previous years where there was a surplus which so that could be funded with fund balance.

- **Councilor Giannettino** - what is the current fund balance in in the water fund?
- **Ms. Jacobs** – I do not have that with me.
- **City Manager Dygert** - to Rachel's point, though, if you recall, when we did the rate and we set the rate a few years ago. I believe it was a 5-year set it and forget it situation. So, in the beginning, the rate was slightly higher than it needed to be. Then, over the course of time, in the middle of those five years, it got to be right in the sweet spot where it needed to be and towards the end it's a little less than where it needs to be. That was anticipated.
- **Councilor Giannettino** – Could you email that information to us?
- **Ms. Jacobs** - the other funds, the solid waste fund, again, as I mentioned, that's, basically, our landfill fund. It is showing a gap of approximately 1.5 million. The majority of that, a big portion of it is based on our last payment for a bond payment, which is about \$600,000. As I mentioned, we are closing the landfill. Depending on that date, the revenues may shift a little. We wanted to be very conservative in our numbers of actual revenue coming in after that closes. That can be balanced with fund balance as well. The Refuse collection fund has a gap of \$130,000. That can also be balanced using fund balance. Transfer station was balanced without fund balance. There isn't actually any fund balance in that account yet since it is brand new this year. This is, basically, the large items that I deleted from the budget or removed from people's request: vehicles and equipment: the assessor's office was looking for a replacement vehicle; the Code Enforcement office was looking for a dump truck, as well as, a Kubota to do sidewalks; engineering was looking for an SUV. Other requests that were removed: demolitions: they had requested \$200,000. we reduced that down to \$50,000. which is what they had last year. The housing code update was removed, once again, which was \$75,000. and Fort Hill district plan was removed for \$15,000. The comprehensive plan update was removed at \$55,000. The IT position that we were originally looking to get for our technician support was removed as well, so that's approximately \$50,000.

That's it for that portion. Do you have specific questions? Do you want to see the actual budget?

- **Councilor Giannettino** – well, I can provide some preliminary input from what I read, if that's okay. Mr. Dygert, Ms. Jacobs, Thank you for putting this together under these circumstances. Putting the budget together is never easy, especially under these circumstances, the likes of which we've never seen. There's so much uncertainty I would call this a good first draft. I do believe that, for the next few weeks, we're going to have some work to do. There are probably a lot of wild cards in front of us. The good news is, that in the state budget that was passed, we have our funding. There's a big asterisk in that state budget however. While there may not be plenty of money in Albany, there may be plenty of red ink. If the federal government doesn't come through with funding to states and municipalities, we could be in big trouble in New York State. The Governor is going to have sole discretion on adjusting those levels. That's concerning to me. The other thing that is concerning to me, is sales tax. We rely very heavily on sales tax. I think last year we budgeted for around \$9.1 million. This budget is not taking into account any change in sales tax. I think we need to look at it with a change in sales tax. I know the New York State Association of Counties has put out some estimates. They range from 3 to 11% decrease in sales tax. I think we really need to look at what that would do to us with those numbers. Part of the good news in terms of sales taxes is we are at the tail end of winter. We're not in the nice months where we usually see an uptick in sales tax. But we don't know how long this is going to last. We don't know what the long-term effects of this are in terms of sales tax. I know that makes it difficult for you to project that. I don't know that I'm comfortable, this is just me personally, there are 4 other members of council, so I'm sure they'll have their input, I don't know that I'm comfortable voting on a budget budgeting in the same amount of sales tax as last year.
- **City Manager Dygert**- may I comment on your comment just for a second? For clarification, and Rachel can probably do a better job than I can, but I'll try to point her in the right direction. To our current budget, right. So, the current year that we're in, has a line in it for sales tax as it always does. For sales tax revenue, that we typically, in the last few years, have outperformed in the budget and sales tax. That's just something to keep in mind when we're talking in this budget presentation. I believe that, correct me if I'm wrong Rachel, The number that's put in for the budget is the same as last year but we're on track to outperform the budget. In effect, we could actually, and we'll have to get those numbers, Rachel may already have them, but what we budget for and what we actually receive is a different story. So when you're talking a 3% to 11% reduction, which may actually be in there, we can do some further work on that. Does that make sense?
- **Ms. Jacobs** – if you look at the trends from the previous years, we

normally budget less than \$9(million). But the 2019 actuals, we budgeted eight and a half (million), I want to say, and we ended up getting 9.3 (million). So the next year, which is this year we're in now, original assumption was to increase this year's budget to make up for what we're seeing as a potential increase. We ended up deciding to just, kind of, keep it level just in case. Which might work out for us or it might not. At this point, we have received all sales tax through the end of February. We're already ahead of where we should be at this point. I'm assuming based on everything that I've reviewed that we will already this year outperform where we budgeted. Next year, I understand there's obviously a lot of hesitation whether or not to adjust those. I think one of the best ideas is, obviously, we can change that number up until the day we adopt the budget. As these monthly figures come out, we might have a better idea of the actual impact, covid-19 related. As of now, there isn't any way to know for sure. And even the estimates other municipalities have come up with, where are they coming up with these figures?

- **Councilor Giannettino** - I understand. I'm asking you to pull something out of thin air, basically, and I get that. I'd rather be, personally, I would rather air on the side of caution. I think I'm hearing estimates that social distancing could be in place for months. We just don't know. You know, the good news is, what we're seeing is social distancing is working. We're hoping that sooner, rather than later, we'll be able to get back to some type of normal. Whether it's a new normal or an old normal, we don't know. I really, I would be more comfortable if we aired on the side of caution. If we approach this as an austerity budget. Where we're saving positions, it's keeping people here employed. We're providing the basic essential services that people need on a daily basis with no extras. Then, if the money's there for the extras we know we can pull it out of contingency. If the money's there, we can then pull that money from contingency for those extras. But these are scary times for everybody. I've talked to people in local business, whether they have money in the bank or not, they are acting like they don't have money in the bank because they don't know what the long-term effect of this is. I really think we should approach it that way. I think an austerity type budget it is the way to go in. if the money's there, the money's there, then we can continue to do those extra things that we've got done in the last 4-5 years. The other, the other concern I have, too, is going in the next year, we don't know what the pension plan is or going to be. I know it doesn't effect this this budget cycle, but it would be nice to have some money and fund balance and not raid fund balance now because we don't know what the impact that's going to be. I'm greatly concerned about that pension payment for the most part. I think has remained pretty flat in recent years and we could count on that. I'm really concerned, and I think, we typically deride New York City for being an anchor on the state. I think we're all about

to witness just how important financially New York City is to this state, the tax revenue that comes out of New York City. Until we see some improvement there I think we really need to be concerned.

- **Councilor Cuddy** - I agree. As you know, as we start this preliminary budget, I do definitely see value in being conservative in the purchases that we plan on making by not making those purchases. I also applaud our Comptroller and City Manager for putting our workforce as priority. And making sure that you are maintaining that workforce so we can provide the essential services for Auburn. But I really think at this point in time, that we need to think of this budget and prepare for what is coming. To think of it as, you know, as an austerity budget. We don't know exactly what's going to happen but, I think the best way for us to make sure that we go about this is to be as conservative as possible moving forward. Really planning long-term. I think having a more conservative view of what the sales tax revenue is going to be. I think it will help us in the long run. If the projections are better than what we planned, that's all the better. The current projection is too high. I would rather air on the side of caution, as my colleague had said. Just be more conservative so that we can be better prepared for the long-term. Not have to really rush to make cuts. I understand the use of fund balance. We have done a good job in planning ahead for our budgets. We are in the middle of a pandemic that, I think, is going to have economic repercussions that are not going to be good. We know that already. I think we should have, think of it as, what would be our worst case scenario? Try to temper between what has been presented tonight and what are some things that we may have to do in the future so that we can continue to provide services that the people of Auburn get for the year?
- **Councilor Locastro** - I know this is just preliminary. What would a house assessed at a hundred grand with this budget increase to in a year?
- **Ms. Jacobs** - \$18.07 per year on their taxes. For city, that includes the capital improvement portion and BID.
- **Councilor Locastro** - Are there any fees built into this budget so far? Trash fees and such.
- **Ms. Jacobs** - those are all in there.
- **City Manager Dygert** - no increases, though
- **Councilor Locastro** - how about the overall debt? Where do we stand from last year vs this year?
- **Ms. Jacobs** – each fund is separated out differently. The general fund, for example, is higher this year than it was last year. That's part of what makes the way the tax rate is calculated out there's a separate portion for the capital portion. So that's part of why that portion of the taxes actually went up this year, because we do have more general fund debt than we did in previous year. The other funds... the landfill fund, went up. That actually will probably be

removed from the landfill section because I think part of that or most of it probably has to do with the transfer station. I'm just waiting for the actual figures on that before that's moved out. Looking at water, those payments are up versus last year. These are just principal payments so it's probably between all the funds \$200 -210,000.

- **Councilor McCormick** – I have 2-3 questions. The Power Utility Fund. For the benefit of the public, we know what a Sewer Fund is and what a Water Fund is. The power fund has \$360,000 Gap. Can you explain why we have that? What is the Power Utility Fund?
- **Ms. Jacobs** – the Power Utility Fund is the CoGen facility, as well as, the hydro facilities. There was money borrowed at one point, several years ago, for the CoGen facility. After that was turned off, or, however it may have happened, shut down, there was debt that we needed to pay for the facility and for upgrades and the equipment.
- **Councilor McCormick**- How many more years do we have on that?
- **Ms. Jacobs** – quite a few unless we try to sell or do something different with it.
- **Councilor McCormick** - I bring it up because that is taxpayer money that is not able to be used to help us with what we're sitting on right now. That's quite a bit of money that we need to pay out for absolutely nothing, nothing that we have to show for it. Sales Tax- it says so no change does that mean you projected as last year?
- **Ms. Jacobs** - same budgeted amount as last year yes. We're not over yet at this point because we've only received money for the end of February. Based on the projections in the trend of where we should be at this point of the year, we've surpassed that.
- **Councilor McCormick**- okay so that's probably not going to be happening in the next month. The sales tax, it's been wonderful seeing it go up. But we don't know where it's from. Like restaurants? Hotels? Gas stations? Is it possible to show us maybe over the past three years, what it has been so we can see it? Either send it to us or present it next week, whichever is easier. The other question is what percentage of our entire revenue is sales tax towards our budget?
- **Ms. Jacobs** - Approximately a quarter.
- **Councilor McCormick** - So property taxes are three quarters? So that's not going to change wanting to look at it.is it possible to look at some different scenarios? We'd have to make it up somewhere else. I think if I can look at it, even some drastic ones, like 10%, what that dollar amount is. We'd have to cut that from somewhere else. I would need to see some comparisons.
- **Ms. Jacobs** - to that point, I would definitely want some sort of input in terms of the entire Council what percentage-wise. If we did look at something as drastic, in my opinion, as 10%, that's \$900,000. If you, if you're reducing \$900,000 from the budget where's that going to come from?
- **Councilor McCormick** - what if it's 1%, or just to show us what are the different avenues we can go. We really should look at it and see what we

can do other than keep it the same. We have been having some great years in sales tax. I remember when they weren't great. I know we are going to suffer. I can't imagine us getting what we had last year. Is it possible to do 2 or 3 different ones?

- **Ms. Jacobs** - even if just a rough idea. I mean, I've seen some, I think it was the city of Syracuse, had some very large numbers. I've seen other people come up with more modest numbers say 3%. I can show it in any fashion that you'd like. If you want to give me some idea of what percentage ranges you might want to see.
- **Councilor Giannettino** -I think the City of Syracuse, the preliminary budget, showed a \$19 million decrease in sales tax but I don't know what their overall sales tax is and what percentage \$19 million is.
- **Councilor Locastro** - Crazy question - what are options if we run \$2 million short?
- **City Manager Dygert** - Fund balance.
- **Councilor Locastro** - does that affect your bonding or anything?
- **Ms. Jacobs** - utilizing fund balance does not negatively affect you. The more when the auditors come is when it becomes an issue. They don't like to see multiple years of you utilizing more fund balance. It's one thing if you budget for the use of fund balance. That is okay but it's when people don't budget for that and then at the end of the year they need fund balance to make up the budget.
- **Councilor Locastro** - so it's like a household, if they go to the bank and borrow money and they've got four hundred thousand in the bank. They take into consideration that they have \$400 thousand in their savings account. So it doesn't effect?
- **Ms. Jacobs** - No. I will say though the fund balances does come into play when Moody does the grading, which is what I sent out to all about the A2 rating. So the fund balance is what we have in proportion to what are total annual expenses are. Is how they determine where they think we are. So it's possible it could have an impact, if it was enough to make a significant change in our possible future ratings. They look at the median across the entire.
- **Councilor Giannettino** - so, I think it's safe to say that, we're asking Ms. Jacobs to put a couple scenarios together for us with projections for decrease in sales tax. Is that agreeable?
- **Councilor McCormick** - Do we want to give her some idea? I know they wouldn't give this to us unless they thought this was a decent and the best budget we could get. To ask for those scenarios I don't know where to start for a scenario. Then we have to figure out where were going to make up for that.
- **Councilor Giannettino** - what I was going off of was the New York State Association of counties of projecting between 3 and 11%. I think that's what Mr. Dygert was saying. "Should we go 3 9 and 12? So you got the low end and the high end of their projections. I want to say, I know what we're asking is difficult. We hope that what we've been presented with a short-term crisis but, you know I think short-term is relative. This could be 2 months it could be 18 months. We don't know. We don't know even if we get this all cleared to go back to. Is it the old normal or the new normal? We don't know what that new normal is. I just I want to be cautious. The whole idea of an austerity budget is to give you breathing room in time of Crisis. We're in a time of Crisis right now. I just think it would help to see what that looks like. If we can get

those numbers and then go from there.

Adjournment: By unanimous vote the Council adjourned the meeting. The meeting was adjourned at 5:45 p.m.

Minutes submitted to the City Council on April 30, 2020 by:
Charles Mason, City Clerk