

**MINUTES OF THE MEETING OF THE COUNCIL  
OF THE CITY OF WATERVLIET  
THURSDAY, DECEMBER 6, 2007 AT 7:00 P.M.**

The meeting was called to order by Mayor Robert D. Carlson at 7:00 P.M.

Roll call showed that Mayor Robert D. Carlson, Councilman Charles J. Diamond and Councilman Michael P. Manning were present.

Also present from City Administration were: Mark Gleason; General Manager, Yorden C. Huban; Corporation Counsel, Bruce A. Hidley; City Clerk and Clerk to the Council, Robert A. Fahr; Director of Finance, David Wheatley; Deputy City Clerk; Police Chief Ron Boisvert and Mark R. Gilchrist; Assessor/Building Inspector.

A motion was made and seconded to dispense with the minutes from the previous meeting.

**Report of Officers and Committees:**

**ITEM #1** – Mark Gleason; General Manager requested Bruce A. Hidley; City Clerk to update the Council on the re-bid of the insurance package as well as an update on the health insurance broker proposals. Mr. Hidley informed the Council that bid quotes were received on November 13, 2007 for the City's Property and Casualty Insurance for 2008. Mr. Hidley noted that two bids were received from Cool Insurance Agency and R.J. Carignan Insurance Co. The following were the bids which were submitted by each entity Cool Insurance bid \$134,292.00 and R.J. Carignan Insurance Co. bid \$143,524.00. Mr. Hidley explained that the bids were examined by Robert A. Fahr; Director of Finance and Mr. Hidley. A decision was made that R.J. Carignan Insurance Co. would be awarded the bid even though they were not the low bid. The reason that R.J. Carignan Insurance Co. was selected was based on a couple of factors. The deductible offered by R. J. Carignan was \$5,000.00 for the Public Officials, Property, and Equipment and Employment Practices coverage. Cool Insurance Agency offered the same type of coverage with a \$10,000.00 deductible. Additionally, the Umbrella coverage offered by Cool Insurance included a \$2,000,000.00 limit with all liabilities under one coverage. The proposal from R.J. Carignan Insurance included separate for Police Professional, Public Officials and Employment Practices with a \$3,000,000.00 limit. Mr. Hidley further explained that the cost proposed by R.J. Carignan Insurance for 2008 was 5% lower than the premium paid in 2007. Mr. Hidley concluded by stating that in 1990 the cost for the City's insurance was \$149,000.00. Since that time the City has lowered its premium cost and upgraded the policy coverage.

Mr. Hidley informed the Council that the City of Watervliet accepted proposals from firms to act as the broker of record for the Capital District Physicians Health Plan. Mr. Hidley explained that three firms submitted proposals to the City for consideration as the City's broker for C.D.P.H.P. The following were the firms which submitted proposals, Amsure Associates, Upstate Priority Insurance Agency and Strategic Employee Benefits Service. Mr. Hidley noted that Robert A. Fahr; Director of Finance and himself reviewed the proposals which were submitted. Each company was brought in for an interview to discuss the proposal submitted. Upon conclusion of the interview process it was decided that Strategic Employee Benefit Service would provide the best service for the City's active and retired employees who have C.D.P.H.P. for health insurance coverage. Additionally, Strategic Employees Benefits Service would also provide the City with a consolidated life insurance policy with the same level of coverage at a reduced cost to taxpayers. Strategic Employee Benefit Service will work with the City to establish a Compliance Audit, HIPAA Manual, COBRA Compliance Medicare Part D and a Plan Document of the City's reimbursement program. Strategic Employee Benefit Service has offered staff members with billing reconciliation, terminations and new hired employees. Mr. Gleason thanked Mr. Hidley and Mr. Fahr for the work put into the two proposals.

**ITEM #2** – Mark Gleason; General Manager informed the Council that the DPW Salt Shed Alaskan Slab has been poured. Dave Dressel; Highway Department Supervisor is waiting for the material to arrive to put the salt shed together. Mr. Gleason thanked the City of Cohoes for storing our salt for the City during the summer months. Mr. Gleason reminded the Council that this project was made possible due to the funding provided by Assemblyman Ron Canestrari. Assemblyman Canestrari arranged for the City of Watervliet to obtain an additional \$100,000.00 in D.O.T. aid.

### **OLD BUSINESS**

Mayor Robert D. Carlson requested to speak about the tentative budget which was presented by General Manager Mark Gleason for review last week to the Council. Mayor Carlson explained that he met with the Supervisor of Public Works regarding the complete city wide pickup of garbage. Mayor Carlson feels that this could be a very risky situation, bringing on four new employees to provide this service. Mayor Carlson asked what would happen if the newly hired employees quit or get injured, where the manpower would come from. Would the City need to utilize the Recreation Department, Public Works or Water Department employees to take over the task. Mr. Gleason stated that the laborers hired for this job are fully aware of the duties and responsibilities will be. Mayor Carlson suggested that the City test the process by picking up just a small portion of the City as a test case.

Mayor Carlson stated that during his tenure as Mayor he has always watched out for the citizens, he has always tried to keep the tax rate down. Mayor Carlson noted that he used fund balances to balance the budget to keep the budget down as low as possible. Mayor Carlson further stated that he especially kept the interests of the senior citizen residents who are on fixed incomes to the forefront. Mayor Carlson discussed the once a year tax collection which is proposed in the 2008 budget. Mayor Carlson discussed the once a year tax collection with the Director of Finance, the Mayor noted that he feels that the proposed budget is putting a huge burden on the senior citizens. Mayor Carlson stated that some of the revenue could be found by doing our own payroll rather than paychecks doing the City's payroll. General Manager Mark Gleason noted that this will not offset the \$100,000.00 the City will save by doing a once a year tax collection. Mayor Carlson further stated that the senior community is being penalized and that he tried to avoid this during his administration.

**PUBLIC HEARING** – A Public Hearing will be held for the purpose of hearing those persons who wish to be heard with regard to the Estimate of Revenue and Expenditures for the fiscal year commencing January 1, 2008. (See Resolution No. 8171 authorizing the advertisement.)

- 1.) Eugene Thayer – 1215 19<sup>th</sup> Street – Mr. Thayer stated that he has lived at this address for over 30 years. Mr. Thayer noted that he has a problem with the senior citizen community having to come up with a tax payment in one installment once a year. The senior community is on a fixed income, how does the Council expect them to come up with the money that for many years did not have to be paid until six months later. He asked the Council if they thought this was a fair practice to balance the budget. Mr. Thayer requested that the Council let the public know what they will do help everyone else.
- 2.) Richard Williams – 633 Broadway – Mr. Williams stated that he has no complaint with the once a year tax collection. Mr. Williams does not think that the Council has been fair in requesting the once a year tax collection with such short notice. Mr. Williams concluded by saying the Council should notify the senior community that in 2009 the once a year collection will take place.
- 3.) Frank Souci – 1569 2<sup>nd</sup> Avenue – Mr. Souci stated that he is on social security disability and a fixed income. Mr. Souci stated that the taxes are going up 3%. His raise on disability is 2.5%, which puts his income in the hole for 2008. Mr. Souci noted that he is not a senior citizen but this tax collection affects him also.

- 4.) Cathy Wojnarowski – 1425 1<sup>st</sup> Avenue – Ms. Wojarnowski stated that she does not feel the notification process for the once a year tax collection was done professionally by the City. Mr. Wojnarowski does not understand why the City is getting rid of Waste Management for our garbage collectors. Mr. Wojnanowski feels that if the City is not happy with Waste Management that the City should look to other contractors who provide the same service. Ms. Wojnarowski also asked why the City is getting another tax increase when in 2007 there was a 22.9% increase.
- 5.) Gerri Delaney – 540 3<sup>rd</sup> Avenue – Ms. Delaney asked what the City is going to do to assist the senior community. Ms. Delaney also stated that the notification process was done wrong.
- 6.) Jean Brahm – 1864 9<sup>th</sup> Avenue – Ms. Brahm discussed her financial situation as to why this once a year tax collection will be a burden on her. She feels that a better warning would have been better.
- 7.) Bob Gusberti – 1212 Hillside Drive – Mr. Gusberti requested information related to the Swyer PILOT contract. He stated that the contract was for a 25 year period. Is this still under a PILOT payment program. Robert A. Fahr; Director of Finance stated that Swyer was no longer under the PILOT payment but that McDonald's still is. The McDonalds PILOT will expire sometime around 2010.
- 8.) Bill Crucetti – 467 Broadway – Mr. Crucetti noted that he does not have a problem paying his taxes in full in January. Mr. Crucetti's question to the Council was when did you know that the City was going to a once a year tax collection. Mr. Crucetti stated that it was very obvious that the City knew before November 1, 2007 that they were going to do a once a year tax collection.
- 9.) Rose Mary Kotansky – 1853 8<sup>th</sup> Avenue – Ms. Kotansky explained that she owns two different properties. Ms. Kotansky explained that the City did not do a good job by smacking them with a tax bill in January such as this one. It is very poor planning, the City Council needs to go back to the drawing board.
- 10.) Thomas Hulihan – 1805 9<sup>th</sup> Avenue – Mr. Hulihan explained that he moved into Watervliet three years ago from the Town of Clifton Park. He was very displeased that the City sent the tax notice on a small piece of paper in the water bill. Mr. Hulihan stated that this should have been justified with an explanation not just a piece of paper. A detailed explanation should have sent to the residents. He noted that it seems that all this seems to happen after Election Day. You can't give people on fixed incomes a 30 day notice that they must come up with the entire amount of taxes for the year.

General Manager Mark Gleason responded by apologizing to the residents in attendance for the late notice regarding the once a year tax collection. The budget process started in late summer with two budget workshops being held each month. The once a year tax collection was brought up towards the end of the workshops. The notification was sent out as quickly as possible. The Administration felt it was better to give a late notice rather than a possible 7% tax increase in 2008. The tax increase proposal in the City for 2008 is 2.9%, this increase is still one of the lowest in the Capital District. The City paid over \$30,000.00 in interest charges in 2007 to borrow money until the second tax collection. It was a very tough decision to send the notification out so late. The City will be a full service City and no hidden fees. Mr. Gleason requested Robert A. Fahr; Director of Finance to discuss the many ways this program will help. Mr. Fahr noted that one of the problems the City has is the bond rating with Standards and Poors. The City's current Bond Rating is BBB- which is one investment grade above junk bond status. The City has been criticized that the City is spending tax payer money on borrowing costs for Revenue Anticipation Notes. Based on the current Census the City's population has dropped. With a reduction in the population Sales Tax Revenue will also reduce. The reduction of Sales Tax Revenue will take place effective in 2011, the City needs to begin planning for this now. It is estimated that the City will lose \$150,000.00 in revenue from just the Sales Tax Revenue. The City must start the once a year tax collection, it will reduce the interest costs and it will increase our bond rating. Mr. Fahr stated that it was a tough decision which had to be made. Mr. Gleason noted that this decision was made by the Director of Finance and the General Manager. The Charter allows for the General Manager and the Director of Finance to set the schedule for the tax collection. Mr. Gleason explained that this proposal was the best thing to do for the long term financial stability of the City. It is the City's goal to keep taxes low so that Senior Citizens may stay in their homes. Councilman Diamond noted that when the Council discussed the implementation of this annual collection of taxes at the budget meetings the City put a lot of effort into the budget hearings. Discussion focused on picking up the garbage and towards the end of the sessions the annual collection of taxes. Councilman Diamond stated that the implementation of the once a year tax collection would place an unfair burden not only on the seniors but on the families with low incomes. Councilman Diamond explained that if properly implemented this program will assist everyone in the City. Councilman Diamond further stated that the problem which has been brought up the City gave the residents a two month notice about the tax collection. Councilman Diamond was as upset as all the residents when he received his water/sewer bill and he saw a three sentence explanation. Councilman Diamond was appalled. That was the City's mistake, it confused City residents and it was a mistake. Councilman Diamond proposes to try and balance this inequity, he proposes that everyone make the tax payment when due for the 1<sup>st</sup> half of the year. The first half tax payment will be due upon receipt. The second half would not be due right away but a grace period without a penalty. It is a starting point to make this a fair process, it helps the idea of collecting the taxes annually with assistance to the seniors with little or no penalty.

Councilman Manning stated that Councilman Diamond's proposal is a good one. It needs to be worked on legally and if nothing can be done alternatives will be worked on. Councilman Manning noted that is why we are having a Public Hearing on the budget to hear the residents concerns. This plan is what is keeping the budget as it is if we alter the plans it could alter the tax rate.

Robert A. Fahr; Director of Finance stated that if the City continues with a twice a year tax collection that there will be a tax increase to 7%. If the City goes to a once a year tax collection in January the City can extend the due date until February 15<sup>th</sup>. If the 1% interest penalty they would still pay less than the 7% tax increase. We can elect to do two installments in 2008 and then in 2009 have the payment due in full and extend the due date to February 15<sup>th</sup>. Mr. Fahr stated that if the City does not go to a once a year tax collection the City will have a 7% tax increase. That means in a two year period taxes will increase 30% in two years. By collecting our own garbage the City is saving \$88,000.00. Councilman Diamond asked if Mr. Fahr could consider a lower penalty for not paying the once a year tax collection. Mr. Fahr's suggestion to the Council will be is to go to January and July installments in 2008 and implement the once a year tax collection in 2009. The tax rate increase will have to be 7% for the 2008 budget. The problem is the City must plan for the future, the City is going to loose approximately \$150,000.00 in Sales tax Revenue due to the population decrease. The City borrowed \$2.5 million dollars this year that the taxpayers paid \$30,000.00 in interest costs. The City needs to plan for the reduction of Sales Tax Revenue. Mr. Gleason noted that there are only two municipalities who currently have twice a year tax collections, the City of Troy and the City of Cohoes. The City needs to increase its fund balance, we have eliminated the deficit. The City currently has a \$218,000.00 fund balance, Standard & Poors want the fund balance to be 5% of the total budget or \$500,000.00. Mr. Fahr noted that one of the problems is that the City does not get its fair share of State Aid similar to what other municipalities get.

Art Fruscio - 568 6<sup>th</sup> Avenue - noted that he was one of the only residents who attended the budget workshops. Mr. Fruscio has reviewed the budget in detail and feels the budget is an excellent budget with only a 2.9% tax increase. Mr. Fruscio noted that the once a year tax collection was a way for the City to get some revenue by paying the taxes up front. Mr. Fruscio stated that no one has discussed expenditures. Is there a way to cut expenditures even further. Mr. Fruscio noted that residents would be better off paying the once a year collection and paying what they can with the 1% penalty versus a 7% tax increase. They will pay less with the with the penalty than with the 7% tax increase. Mr. Fruscio feels that this is a very excellent budget. Mr. Fruscio understands the inconvenience for all residents to pay once a year. If the City can work this out residents and the City are getting the best of both worlds with a low tax increase for 2008.

There being no further comments Mayor Carlson closed the Public Hearing.

## **NEW BUSINESS**

**RESOLUTION NO. 8172** – The Council of the City of Watervliet hereby authorizes Mayor Robert D. Carlson to execute an agreement with Kevin Shufelt owner of the Rusty Anchor Restaurant located in the Hudson Shores Park for the electrical costs generated at Hudson Shores Park. Councilman Manning requested that this Resolution be tabled and add the information into the current lease so that there is not two documents for one agreement. Mayor Carlson asked if the lease up as the same time as this agreement. General Manager Gleason stated that the lease with Kevin Shufelt is a 20 year agreement. Mayor Carlson asked if this agreement was a year to year deal. Mr. Gleason stated that the contract with Mr. Shufelt before the Council is 5 year agreement for electrical costs. When the lease was drawn up there was no consideration at the time for the use of the park lights being on extra. Corporation Counsel Yorden Huban stated to the Council that an amendment can be drafted to the original lease referring to the lights issue and incorporate it into the old lease. Mayor Carlson asked if Corporation Counsel Huban was in agreement to remove this Resolution from the agenda. Corporation Counsel stated that he is in favor of removing the document and amending the original lease. The motion to table the Resolution was seconded by Councilman Diamond and passed.

**RESOLUTION NO. 8173** – The Council of the City of Watervliet hereby authorizes Mayor Robert D. Carlson to execute an agreement with the City of Albany for the use of the Rapp Road Landfill facility for the calendar year 2008. Upon motion of Councilman Manning, seconded by Councilman Diamond, this Resolution was approved and adopted.

## **APPROPRIATIONS AND AUDITING**

**NONE**

## **PUBLIC COMMENT PERIOD**

- 1.) Gloria J. Grattan – 609 4<sup>th</sup> Avenue – Ms. Grattan wanted to comment on the water/sewer bill. Since 2006 the water/sewer bills have increased by over \$200.00. Ms. Grattan does not feel it is fair that a household of 2 people should pay the same as a family of 6 who may also have a pool or other water needs. They never have had water meters and probably will not. There should be a more equitable way for residents to pay for water usage than what is being done currently where all residents pay the same amount.

2.) Michael Calacone – 410 2<sup>nd</sup> Avenue – Mr. Calacone noted that for over 30 years the people along Broadway have been putting up with noise and pollution problems from the vehicle traffic along I787. Mayor Carlson stated that some six years ago the City met with the NYS Department of Transportation who noted that if it was today a sound barrier would have been put up during construction. At the time the discussions were held with NYSDOT they stated that the State did not have any funding for sound barriers along I787.

There being no further business to come before the Council a motion was made and seconded to adjourn. The meeting was adjourned at 8:30 P.M.

Respectfully Submitted,

Bruce A. Hidley  
City Clerk and Clerk to the Council