

**MINUTES OF THE MEETING OF THE COUNCIL OF THE CITY OF WATERVLIET
THURSDAY, DECEMBER 4, 2008 AT 7:00 P.M.**

The meeting was called to order by Mayor Michael P. Manning at 7:00 P.M.

Roll call showed that Mayor Michael P. Manning, Councilman Charles J. Diamond and Councilwoman Ellen R. Fogarty were present.

Also present from City Administration were: Mark Gleason; General Manager, Yorden C. Huban; Corporation Counsel, Rosemary Nichols; Deputy General Manager of Economic Development, 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, Fire Chief Don Clickner and Mark Gilchrist; Assessor/Bldg.

A motion was made and seconded to dispense with and approve the minutes from the previous Council Meeting.

The following agenda was presented to the Council by Bruce A. Hidley; City Clerk and Clerk to the Council.

REPORT OF OFFICERS AND COMMITTEES

ITEM #1 – Mark Gleason; General Manager presented the tentative Estimate of Revenue and Expenditures for 2009 to the Council and those in attendance. Mr. Gleason started with a budget message that this administration has delivered a fat free economical 2009 budget. This budget is lean with no frills, its efficient and forward looking. The City is planning for what could be rough times ahead. This budget maintains and improves the quality of life for the City's residents. This administration is fully aware that what we do today resonates into the future. Mr. Gleason discussed the 2009 budget expenses. The Police Department is \$2,419,696.00, Fire Department is \$2,021,373.00, Administration is \$1,412,358.00, Insurance is \$1,610,394.00 million dollars, Highway is \$480,738.00, Recreation is \$241,517.00 and Debt is \$555,645.00, General Government Items is \$617,092.00 and Refuse/Recycling is \$494,000.00. The total amount budgeted for expenses for 2009 is \$9,852,813.00. There was budget increase from 2008 until 2009 of 4%. That is a 4% increase despite the fact that health insurance costs went up 14% and Public Safety retirement costs have gone up 8%. Also the creation of three new departments, Planning and Community Revitalization, Refuse and Recycling and an Ambulance Service. The changes in the 2008 budget will affect the 2009 budget. In 2008 the City went to a once a year tax collection saving the City approximately \$64,000.00. It is anticipated that the once a year tax collection will save approximately \$56,000.00 in 2009. The Sanitation Policy has been revised thus saving approximately \$40,000.00 in tipping fees in 2008. It is anticipated that the City will realize a \$42,000.00 savings in 2009. Additionally, in 2008 the City started making its energy purchases on the open market as opposed to purchasing energy just from National Grid. This saved the City approximately \$5,000.00 in 2008 and the City should see the approximate savings in 2009. One of the changes in the 2009 budget is that the City Council has declined health insurance which will save \$22,000.00. The City will also be switching the Medicare eligible retirees from the Empire Plan into the Capital District Physicians Health Plan Medicare Group Choice PPO Plan.

All the savings received from this switch will be placed into a reserve account to pay for the co-payment reimbursement program the retirees will now participate in. The changes in 2008 have amounted to approximately \$109,000.00, which amount to a 3.5% tax increase. The changes that are carrying over into 2009 will be approximately \$125,000.00, which will amount to a 5% savings from a tax increase. Mr. Gleason then discussed the 2009 budget revenues. The Sales Tax \$3,125,000.00, Non-Property Tax \$601,000.00, Per Capita Assistance \$1,300,313.00, Recoveries/Grants \$164,500.00, Property Tax \$3,714,000.00, Permits/Fees/Fines \$239,500.00, Miscellaneous \$176,500.00, Transfers \$532,000.00 for a total of \$9,852,813.00. Mr. Gleason stated that the City of Watervliet is proposing a 2.9% tax increase for 2009. The 2.9% tax increase will cost the average homeowner in Watervliet \$33.36 extra for 2009. Mr. Gleason compared the tax increase to the Consumer Price Index (CPI). The CPI is the average cost of goods and services from year to year. The CPI Urban Average for the first 10 months of 2008 has been 4.5%. The tax increase of 2.9% will be 1.6 points lower than the 2008 CPI average. Mr. Gleason noted that the 2009 budget is very lean with no frills. The salaries were budgeted at 3% increases, no new unfunded positions added, budget growth kept at less than the 2008 CPI average, no new unfunded equipment purchases and the revenue estimates are conservative. The 2009 budget did not inflate any of the revenue estimates. The City of Watervliet is doing more with less with the 2009 budget. Mr. Gleason discussed some 2008 programs which will carry over into the 2009 budget year. In the Recreation Department under the leadership of Diane Conroy-Lacivita she was designated as the lead agent to improve the quality of life in the City of Watervliet. The Arsenal City Run improved on its runners and over doubled the sponsorships. Even with the bad weather there were more runners than before. The Recreation Program improved on its learning to swim program, baseball clinic, basketball clinic, tennis clinic and a girl's softball clinic. The Recreation department co-sponsored a family movie night with the Watervliet Public Library in August. The City also adjusted the swim time for our Senior Citizens and included an aqua program for them. The City was able to place Park Counselors in every park in the City making the park area a safe haven for our children to enjoy all summer. All the programs noted above which was done by the Recreation Department in 2008 was done on budget. The Public Works Department purchased a \$23,000.00 salt shed, a \$140,000.00 backhoe and a \$79,000.00 truck. Mr. Gleason explained that not one dollar came out of the 2008 budget. The City was able to make all of these purchases through the Consolidated Improvement Program and still continue with the NOVA Chip Street Repaving projects. Each of the above noted items purchased have saved the City several thousand dollars. Mr. Gleason personally thanked Mayor John McDonald of the City of Cohoes who worked jointly with the City to clean the City of Watervliet catch basins. This coordinated effort saved the taxpayers of Watervliet nearly \$7,500.00 in doing so. The City of Cohoes has been a great neighbor to work with once again doing more with less. The catch basin cleaning program will continue again in 2009. There is a goal of over 200 catch basins being cleaned once again at a less expense cost by working with the City of Cohoes. Mr. Gleason then focused on 2009 moving forward. There have been new departments added including the Refuse/Recycling Department, Planning and Community Revitalization and a new Ambulance service. These new departments/services will save the taxpayers of Watervliet money as well as improve the quality of life in the City.

Mr. Gleason explained that in 2008 the Refuse/Recycling Department saved \$70,000.00 in labor and equipment costs by picking up our own garbage. On top of that by re-writing the sanitation policy the City saved nearly \$40,000.00 in tipping fees. In 2009 it is anticipated that the City will save approximately \$42,000.00. The Planning and Community Revitalization Department explained that Rosemary Nichols hit the ground running in this department. In 2007 the City received grants in the amount of \$4,500.00, in 2008 the City is looking to be awarded \$2,419,200.00 in grants. Mr. Gleason highlighted the grant monies approved or received.

- 1.) NYS grant for the Watervliet Economic Development Program in the amount of \$750,000.00
- 2.) The Community Development Block Grant Comprehensive Housing, Façade and Micro Enterprise grant in the amount of \$650,000.00.
- 3.) Housing Rehabilitation Grant for low to moderate income persons in the amount of \$400,000.00.
- 4.) Affordable Housing Rehabilitation Grant through the Albany County Planning Department in the amount of \$350,000.00. The total grant amount for this program was only \$700,000.00, the City received half of the money available.
- 5.) City of Watervliet Apartment Management Project to foster an increase in affordable housing and benefit senior citizen home owners in renting vacant apartments in the amount of \$150,000.00.

The City of Watervliet will be starting a new ambulance service effective January 1, 2009. The City will improve the ambulance service response time by four (4) minutes. That will be the difference of life and death, another quality of life issue. As an added bonus of this new program, Mr. Gleason noted that the revenue generated by the ambulance service will increase by 400%. Not only is the ambulance service a Quality of Life issue this service will also pay for itself. There is an energy project with Honeywell International which will also work to apply a savings to the City's energy costs for 2009. The City anticipates that the energy costs will be approximately \$217,000.00 for 2009. The project will retrofit all lighting, update heating and air conditioning systems and insulate all buildings. It is expected that there will be an annual savings of approximately \$47,740.00 upon completion of the energy project. The overall goal is to improve the quality of life in Watervliet as well as keeping an eye on the fund balance. NYS recommends that 5% to 15% of your budget become a part of the fund balance. Thanks to the tough decisions that the City Council has made the fund balance has gone from a \$47,000.00 deficit in 2005 to a projected \$700,000.00 fund balance in 2008. A healthy fund balance will lead to an improved bond rating. It is anticipated that the City will receive a favorable upgrade within two years allowing the City to borrow money at a cheaper rate. It will protect against state cuts, last year the City crossed its fingers that nothing got cut. With a healthy fund balance the City will be able to protect our programs with out cutting any services. It will hedge against a decrease in Sales tax. The City of Watervliet anticipates a decrease in population during the 2010 census program. Mr. Gleason explained that Sales Tax Revenue from Albany County is tied into the population of the City. If the City loses 400 residents that translates into a \$130,000.00 decrease in Sales Tax for the fiscal year 2011. It is incredibly important that the City keep a healthy fund balance to protect us against the possible future loss of Sales Tax.

The City needs to fund any unexpected Capital Works Project which may arise. The City of Watervliet's infrastructure and buildings are mature. The City needs to make Capital Repairs without borrowing the money. With a healthy fund balance the City is able to do that. This budget tackles all future needs along with the current needs the City will face in 2009. Mr. Gleason has requested that the City Council, after review, pass this budget on December 18, 2008. Mr. Gleason stated that this is a budget that is good for all the residents of the City of Watervliet. Mr. Gleason thanked Robert A. Fahr; Director of Finance, Pam DiNuzzo; Deputy Director of Finance and Phyllis Carroll his Administrative Assistant for their assistance in preparing the 2009 budget presentation.

OLD BUSINESS

RESOLUTION NO. 8333 – The Council of the City of Watervliet hereby approves and authorizes the City of Watervliet Flex Time Work Schedule Policy for Administrative employees of the City of Watervliet. Before voting Councilman Diamond stated that at the last meeting he expressed concern with the City Council micro managing the Office of the City Manager. Councilman Diamond feels that the Council's duties are legislative and personnel issues belong to the City Manager. Councilman Diamond is in favor of the Flex Policy but not in favor of the micro managing end of it by the Council. Mayor Manning explained that this is approving to add a policy that currently does not exist. Councilman Diamond stated that his point is the duties of the General Manager are prescribed by the Charter. Yorden Huban; Corporation Counsel noted that it is good to bring certain issues before the Council, at the same time there are certain issues which are primarily focused on the General Manager. Mr. Huban feels that the Council should move forward with this legislation essentially that the Council agrees with the Flex Time Policy with the General Manager having the final say about the authorization of Flex Time. Councilman Diamond then asked if it was a policy for Administrative employees only. Councilman Diamond wanted to know if this was for everybody or a certain few, what are the parameters of who can use this policy. General Manager Mark Gleason responded by saying that this policy is strictly for City Hall Administration. Councilman Diamond then asked that all non-union employees are covered by this policy. General Manager Gleason stated yes to Councilman Diamond. Upon motion of Councilwoman Fogarty, seconded by Councilman Diamond, this Resolution was approved and adopted.

NEW BUSINESS

ORDINANCE NO. 1838 – An Ordinance of the City of Watervliet, New York providing that Chapter 244, Streets and Sidewalks, of the Code of the City of Watervliet be amended. Before voting Corporation Counsel Yorden Huban explained that the Charter gives the Commissioner of Public Works the authority to remove obstructions from sidewalks especially snow and ice. Mr. Huban stated that the Charter is silent on the issue that imposes the duty of any obstruction to the homeowner. Mr. Huban further stated that the City has been faced with litigation from persons injured on private property. There was a third judicial department case where the court did not rule on the constitutionality of the statute. This legislation will truly place the responsibility on the homeowner. Upon motion of Councilwoman Fogarty, seconded by Councilman Diamond, this Ordinance was approved and adopted.

RESOLUTION NO. 8334 – The Council of the City of Watervliet hereby authorizes Bruce A. Hidley; City Clerk to advertise once in the official newspaper that a Public Hearing will be held in the J. Leo O'Brien Senior/Library Facility, 1501 Broadway, Watervliet, New York 12189 on December 11, 2008, for those persons who wish to be heard regarding the Estimate of Revenue and Expenditures for the fiscal year 2009. Upon motion of Councilman Diamond, seconded by Councilwoman Fogarty, this Resolution was approved and adopted.

RESOLUTION NO. 8335 – The Council of the City of Watervliet hereby authorizes the contract to purchase a GMC medium sized 4X4 dump/salter combo truck cab chassis with snow plow, plus option #2, wheel and tire in the amount of \$79,350.00 from Capitaland Motors, 37 Saratoga Road, Glenville, New York 12306. Before voting General Manager Gleason explained that this vehicle will be added to the Department of Public Works Highway Garage to assist with snow removal and other items. Mr. Gleason explained that the truck will be paid entirely with CHIP's money. Upon motion of Councilwoman Fogarty, seconded by Councilman Diamond, this Resolution was approved and adopted.

RESOLUTION NO. 8336 – The Council of the City of Watervliet hereby amends the City of Watervliet Harassment and Discrimination Policy. Before voting Corporation Counsel Yorden Huban stated that this was initially enacted it is an amendment revising it by naming it anti harassment anti discrimination policy and amending certain procedures reporting discrimination and imposing notice what a complaining party can do. Mr. Huban concluded by stating that this amendment is more expansive than the one originally passed. Upon motion of Councilman Diamond, seconded by Councilwoman Fogarty, this Resolution was approved and adopted.

RESOLUTION NO. 8337 – The Council of the City of Watervliet hereby recognizes the City's Support of consolidated emergency dispatch services and of the Commission on Local Government Efficiency and competitiveness recommendations on the same. Before voting Mayor Manning explained that this is to allow the City to participate in a project grant run by Albany County and the Albany County Sheriffs Department. The City needs to pass legislation in order to show our support of this grant. Upon motion of Councilwoman Fogarty, seconded by Councilman Diamond this Resolution was approved and adopted.

RESOLUTION NO. 8338 – The Council of the City of Watervliet hereby requests that the Governor of the State of New York use his best efforts to ease the budget and financial crisis without reducing State Aid which would have a devastating negative impact on the taxpayers of the City. Upon motion of Councilman Diamond, seconded by Councilwoman Fogarty, this Resolution was approved and adopted.

RESOLUTION NO. 8339 – The Council of the City of Watervliet hereby authorizes and approves of a revision to use the City owned vehicle policy. Upon motion of Councilwoman Fogarty, seconded by Councilman Diamond, this Resolution was approved and adopted.

RESOLUTION NO. 8340 – The Council of the City of Watervliet hereby authorizes Mayor Michael P. Manning to execute an agreement between the City and Rich Novajaksy for website design and support services contract for a period of one (1) year beginning January 1, 2009 and ending December 31, 2009. Before voting Mayor Manning explained that this is to pay a stipend to an outside contractor who has been giving the City free website services. The time spent is above pro bono and Mr. Novajaksy will be paid \$200.00 per month. Councilman Diamond asked if the City could have advertisement on the website as a revenue source. Corporation Counsel stated that his initial reaction would be no. By having advertising would create selective advertising. Corporation Counsel Huban stated that he would research the issue for the next Council Meeting. Upon motion of Councilman Diamond, seconded by Councilwoman Fogarty, this Resolution was approved and adopted.

RESOLUTION NO. 8341 – The Council of the City of Watervliet hereby authorizes Mayor Michael P. Manning to execute an agreement with the Capital District Physicians Health Plan for the Medicare Group PPO Plan. Before voting Mayor Manning explained that this is the first attempt to look at health insurance costs. The City started by grouping the retirees into their own pool which puts them into a program that helps the supplemental health insurance along with their Medicare insurance. Upon motion of Councilwoman Fogarty, seconded by Councilman Diamond, this Resolution was approved and adopted.

RESOLUTION NO. 8342 – The Council of the City of Watervliet hereby authorizes Mayor Michael P. Manning to execute an agreement with Solid Sealing Technology Inc. and Extreme Molding LLC to implement the terms of the grants from the Economic Development Block Grant program. Before voting Councilman Diamond discussed the financial terms of the contract along with the possibility of 30 jobs to City of Watervliet residents who would be preferred first. Rosemary Nichols; Deputy General Manager of Economic Development stated that part of the reason that the City requested more of a presence in the Arsenal is to facilitate a labor training program where Watervliet residents are in the front of the hiring line for low to moderate income levels. Upon motion of Councilman Diamond, seconded by Councilwoman Fogarty, this Resolution was approved and adopted.

RESOLUTION NO. 8343 – The Council of the City of Watervliet hereby authorizes General Manager Mark Gleason to appoint Paul LaBoissiere, 703 16th Street, Watervliet, New York, as Registrar of Vital Statistics to fill the unexpired four (4) year term of Amanda Heffernan commencing December 5, 2008 and terminating on December 31, 2011. Mayor Manning explained that this is an Administrative roll change which needed to be made. Upon motion of Councilwoman Fogarty, seconded by Councilman Diamond, this Resolution was approved and adopted.

RESOLUTION NO. 8344 – The Council of the City of Watervliet hereby approves a Payment In Lieu Of Tax extension agreement between the City of Watervliet and LAS Watervliet Redevelopment Company and authorizes Mayor Michael P. Manning to execute said agreement. Before voting Corporation Counsel Yorden Huban explained that this is an extension to a PILOT agreement with LAS Watervliet Redevelopment. The PILOT agreement had expired and pursuant to Real Property Tax Law there is a statutory phase out period. Taxes are now being paid pursuant to the adjustment factors approved by law. This was an agreement based on issues related to the PILOT. The PILOT was supposed to be 30 years and it was only 25 year. The PILOT has to do with the building known as the Senior High Rise on Broadway. Upon motion of Councilman Diamond, seconded by Councilwoman Fogarty, this Resolution was approved and adopted.

RESOLUTION NO. 8345 – The Council of the City of Watervliet hereby directs Bruce A. Hidley; City Clerk not to take any further action regarding Resolution No. 8332 authorizing bids for the installation of a heating system at 1501 First Avenue, Watervliet, New York. Before voting Bruce A. Hidley explained that after consulting with Rosemary Nichols it was decided to put this project on hold to get a better idea as to how to get the best heating and air conditioning system for the Church and Historical Society. Rosemary Nichols explained that the City will provide the Historical Society with space in City Hall to continue its operations during the winter months. Upon motion of Councilwoman Fogarty, seconded by Councilman Diamond, this Resolution was approved and adopted.

RESOLUTION NO. 8346 – The Council of the City of Watervliet hereby authorizes Bruce A. Hidley; City Clerk to advertise once in the official newspaper that the City will receive bids until 10:00 A.M. on Monday, December 15, 2008 for the purchase of a John Deere Gator Utility Vehicle. Before voting Mark Gleason; General Manager explained that this vehicle will replace a vehicle in the Recreation Department. This vehicle will be a year round more efficient vehicle for use in the Recreation Department. Upon motion of Councilman Diamond, seconded by Councilwoman Fogarty, this Resolution was approved and adopted.

APPROPRIATIONS AND ACCOUNTING

NONE

Before moving on to the Public Comment Period Mayor Manning updated the Council and residents in attendance on a couple of issues the City is involved with.

Mayor Manning explained that the Grand Opening for McDonalds was held today. This is a great example of a business wanting to do a project hand in hand with the City. McDonalds has a beautiful clean building that fits in better with the community. Also, an official NYS Historic Plaque for the Underground Railroad rescue which occurred in 1860 was unveiled at the Grand Opening.

Mayor Manning attended the question and answer period for the Arsenal Extended Use Lease (EUL). The City of Watervliet is part of the Arsenal Business and Technology Development Team. This would allow the Partnership to put commercial entities into the 57 acres identified by the Army for the EUL Program. The decision of the winning developer will be opened on Tuesday, December 9, 2008.

Mayor Manning explained that the City had its second discussion on joint services such as force protection, fire and ambulance service

Mayor Manning explained that there has been a second meeting related to water issues with the surrounding communities. The City has hired a consultant to deal with the Town of Bethlehem water issues. The City would like to supply them with raw water from our reservoir short term. It is the City's hope that we would be able to make this a long term project to build a joint Filter Plant out at the reservoir to replace our plant. The City has approached CDRPC to be a facilitator with this process and help obtain any shared services grant money to evaluate the joint municipal entity would look like from a legal aspect.

Mayor Manning explained that as part of the City's participation with the Arsenal Partnership EUL Team one of the proposals was to build a Co-Generation Facility. The City has indicated that it would like to be a partner with the Co-Generation Project.

Mayor Manning explained that the City's intent to pursue a FERC Permit on Lake Delta for the Delta Dam. The consultant is proceeding with the information necessary to pursue a license. There is a meeting on Friday, December 5, 2008 with the Canal Corporation to discuss the framework of a lease agreement for the Delta Dam. The Canal Corporation owns the Dam and the surrounding land around the Dam.

Councilman Diamond informed all in attendance that on Sunday, December 14, 2008, that the Watervliet Historical Society will host the first fundraiser. The fundraiser will be held at the Watervliet Arsenal Museum. This is a fellow museum helping another museum. Councilman Diamond stated that the City now has two museums.

Mark Gleason; General Manager informed all in attendance that the Tree Lighting Ceremony will take place on Saturday, December 6, 2008. The Tree Lighting will take place in Veterans Park on 16th Street and 2nd Avenue from 4:00 P.M. until 6:00 P.M. Santa Claus and Elvis will make special appearances.

PUBLIC COMMENT PERIOD

Joshua Spain – 640 3rd Avenue -Watervliet, New York – asked the City Council if the City has a contract for computer and phone system. Mayor Manning explained that the City has a contract with Cornerstone and the IT service is Capital Region IT. Mayor Manning noted that the contracts will be renewed sometime in January.

There being no further comment Mayor Manning closed the Public Comment Period.

There being no further business to come before the Council, a motion was made and seconded for adjournment, the meeting was adjourned at 7:40 PM.

Respectfully Submitted,

Bruce A. Hidley
City Clerk and Clerk to the Council