

**MINUTES OF THE MEETING OF THE COUNCIL OF THE CITY OF WATERVLIET
THURSDAY, NOVEMBER 17, 2011 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, Councilwoman Ellen R. Fogarty and Councilman Nicholas W. Foglia were present.

Also present from City Administration were: Mark Gleason; General Manager, Yorden Huban, Corporation Counsel, Bruce A. Hidley, City Clerk and Clerk to the Council, Fire Chief Scott Skinner and Police Chief Ron Boisvert.

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

REPORT OF OFFICERS AND COMMITTEES

ITEM #1 – Mark Gleason, General Manager informed the Council that he would be presenting the 2012 Estimate of Revenue & Expenditures budget for the Council and public. Mr. Gleason explained that the City continues to weather through the protracted economic down turn. The development of the 2012 budget proved to be a tremendous challenge. This year thru a shared process the City Council and City Department Heads have developed a plan that meets the needs of our community without compromising the City's financial future. The 2012 budget reduces unequal State Aid by 4%. This budget promotes efficient use of labor and technology, maintains the City's solid financial footing, accounts for projects with future benefits, explores innovative ways to cut expenses and add revenues. The 2012 budget contains no layoffs of personnel, does not add any new positions, it will not replace the retirement in the Department of Public Works. The proposed tax increase for residents of the City of Watervliet is 1.6%. Mr. Gleason noted that this increase is below the State mandated tax cap. The tactics to provide residents with a 0% tax increase would jeopardize future budgets. Mr. Gleason feels that small increments now will eliminate large tax increases in the future. The 2012 budget will carry the City through the tail end of the economic problems we are facing. This also prepares the City for economic improvement that lies ahead. Mr. Gleason will begin the presentation with the City's expense side of the budget. Public Safety comes in at 5.1 million, this includes the Fire Department and Police Department, Highway Department at \$300,000, Recreation is \$200,000, debt is \$700,000, Administrative costs is 1.5 million, insurances is 1.7 million, general government items is \$500,000 and Sanitation Department is \$400,000. This gives the City a total of 10.7 million dollars for expenses. Mr. Gleason then went into the revenue side of the budget. Sales Tax is budgeted at \$3 million dollars, non-property tax \$500,000, State Aid is \$1.1 million a 4% decrease has been factored in to this amount, recoveries are at \$300,000, property tax is \$3.9 million, permits, fees and fines are \$262,000, misc. other is \$149,000 and transfers from other funds is \$1.3 million. The total revenue is \$10.7 million dollars. Mr. Gleason noted that property tax is the greatest revenue generator, followed by Sales Tax and State Aid. This proves to be a budget increase from 2011 of \$200,000.

This factors in that the NYS Retirement costs which have increased over 16% and Health Insurance has increased over 5%. With these two factors alone Robert A. Fahr, Director of Finance has done a tremendous job with the 2012 budget. The 1.6% tax increase will cost a homeowner approximately \$20.00 per year or \$1.67 per month. The 2012 budget reduces State Aid by 4%. The City of Watervliet receives \$118.00 per resident for State Aid. Mr. Gleason provided a graph that shows that the City of Watervliet receives the lowest amount of per capita per resident in the area. If the City of Watervliet received a fair share of State Aid there would be a possibility that our residents would experience a no tax increase. The NYS Comptroller's Office has submitted an article showing that the City of Watervliet could possibly lose \$84,000 in local Sales Tax revenue. This budget promotes efficient use of labor and technology. Mr. Gleason stated that the City is not replacing a recent retirement in the Department of Public Works. The City of Watervliet leads the way in residents per employee. For every 114 residents we have one employee. Other municipalities for every 75 residents they have an employee. Mr. Gleason explained that the use of IPADS for Department Heads has been a great asset in the City's efforts with going green. Mr. Gleason provided the Council with several other examples of how the IPAD has been a more efficient tool. The 2012 budget also maintains a solid financial footing. Mr. Gleason showed a slide which graphically showed how the fund balance has grown since 2006 to 1.1 million. The 2012 budget does not raid the fund balance at all. The City meets the NYS Comptroller's guidelines for a 10% fund balance of your budget. This budget also maintains the City's sound financial footing in the Reserve Accounts. Equipment Reserve is at \$500,000, Debt Service Reserve is at \$600,000 and the Water/Sewer Reserve is at \$300,000. The City does not have to borrow due to the Reserve Funds. The 2012 budget accounts for projects with future benefits. The Whitehall/23rd Street Project was a joint effort between the City and the Watervliet Housing Authority. The City obtained multi-model funds from Senator Neil Breslin to complete the 23rd Street Project. The Upper/Lower Dam has been a project on going for the past four years. At the end of 2011 this project will be completely compliant in accordance with the regulation from the NYS Department of Environmental Conservation. This project is now up to the 500 year storm regulations and is completely safe. This was paid for thru Community Development Block Grant funding. The Hillside Resurfacing Drainage Project is the structure which will accept all the storm water from the hill on 19th Street. The Watervliet City School District shared an expense for this project. The Rt. 155 Service Reservoir is now completely compliant with NYSDEC rules and regulations. The City used the reserve account and did not have to borrow to get this project done. By having the high efficient lights installed on 19th Street has allowed the City to budget by 8% in energy costs. This project was funded thru the federal stimulus program. The solar project at the Fire House and J. Leo O'Brien Building was funded entirely by NYSERDA. This project has allowed that City to cut the budget another 11% from the power costs. By the end of this year the City will have done 1.1 million dollars in public works projects. Out of the 1.1 million 83% or over \$900,000 was paid by grant, state aid or a partnership with another entity in Watervliet. The bottom line is the City only spent 17% of the total costs. Mr. Gleason figures that with all the public works projects will save the City overtime money in the 2012 budget.

Mr. Gleason stated that is the City can get 25% of the organic waste out of the waste stream. The City should be able to save approximately \$55,000 per year. This program will start within one month. Mr. Gleason discussed the Delta Dam Hydroelectric Project. Mr. Gleason stated that in 2012 the City expects the FERC license to go through. The City expects the contract with the Canal Corporation and the construction permits will be completed. The construction on this project would begin in 2013. This project will be a future revenue generator for generations to come. The Economic Development was very successful last year they were able to increase Administrative Revenues by 11%. The solar boathouse is a perfect example of government acting as a business. The solar component pays for the building. In addition the City collects rent for the use of the boathouse as an added revenue stream. The Watervliet Police Department has seized over \$300,000 in cash, drugs and equipment. Chief Ron Boisvert has done a great job in obtaining funds that are used for training, equipment and supplies. The Police Department has also supplied the City with trucks which were taken by seizure. The Watervliet Fire Department is now servicing the Village of Green Island with ambulance service which will create new revenue for 2012. Mr. Gleason then requested that the Council of the City of Watervliet approve the 2012 budget on Thursday, December 15, 2011.

Mr. Gleason then discussed the Water Budget for 2012. Mr. Gleason stated that the Water Fund is worth 2.8 million dollars. There will be no increase in water rates for 2012. The highlights include the Service Reservoir Project was completed using reserve funds.

The Sewer Fund is a one million dollar budget there will be no increase for the year 2012. The main expenditure is the \$495,000 payment to the Albany County Sewer District. This Highlight is the Hillside Drive Storm/Drainage Project. This project was funded completely with reserve funds no borrowing.

Councilman Foglia asked whether there was any Capital Projects to be funded in the 2012 budget. Mr. Gleason responded by saying no, all the project have been completed. Councilman Foglia would like to see the Rt. 32 project take place regardless of whether or not CDTC Planning Committee approves this project or not.

Mayor Manning asked where the majority of the tax increase was going to pay for. Robert A. Fahr, Director of Finance explained that the primary reason for the increase was retirement costs. In conclusion Mr. Gleason wanted to thank the following employees for their hard work on the budget and budget presentation. Robert A. Fahr, Director of Finance, Pam DiNuzzo, Deputy Director of Finance and Phyllis Carroll, Administrative Assistant.

Councilman Nick Foglia wanted to remind all in attendance that this budget is below the 2% property tax cap implemented by Governor Cuomo. Mr. Fahr noted that whatever is left will be banked in the 2013 budget cycle.

OLD BUSINESS

NONE

NEW BUSINESS

ORDINANCE NO. 1879 – An Ordinance of the City of Watervliet, New York providing that the Code of Ordinances, City of Watervliet, Chapter 260, “Vehicles and Traffic”, Article IV, “Handicapped Parking”, Section 260-30(C), “Sign Locations”, be amended. Before voting Mayor Manning noted that this proposed Ordinance was discussed at the last City Council meeting. Chief Boisvert made a recommendation to the City Council that this Ordinance not be approved. Upon motion of Councilman Foglia, seconded by Councilwoman Fogarty, this Ordinance was defeated 0 yeas, 3 nays.

ORDINANCE NO. 1880 – An Ordinance of the City of Watervliet, New York providing that the Code of Ordinances, City of Watervliet, be amended by revising Section 260-48, “Schedule XII, trucks over certain weight limits excluded. Before voting Mayor Manning questioned why this Ordinance does not go to 25th Street. Yorden Huban, Corporation Counsel stated that this is what is in the City Charter currently. Mr. Huban’s recommendation would be to leave the Ordinance as it is now and review this issue at a later date. Upon motion of Councilwoman Fogarty, seconded by Councilman Foglia, this Ordinance was approved and adopted.

RESOLUTION NO. 8770 – 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 year 2012. Before voting Bruce A. Hidley, City Clerk explained that this is the agreement with CDPHP regarding the costs for health insurance for 2012 for the City of Watervliet active and retired employees. Upon motion of Councilman Foglia, seconded by Councilwoman Fogarty, this Resolution was approved and adopted.

RESOLUTION NO. 8771 – The Council of the City of Watervliet hereby authorizes Mayor Michael P. Manning to execute an agreement with Broadblast Managed Communications Inc. for the period November 17, 2011 and ending on November 16, 2012 in the amount of \$5,000.00. Before voting Mayor Manning explained that this is a company with technology to notify residents by all different modes. They have the ability to text, phone and e-mail. The City was currently using a robo call system. This is a more advanced way of notifying residents. This is a flat fee for the year. Police Chief Ron Boisvert explained that this system is definitely a more efficient way of notifying residents when a natural disaster happens. Mayor Manning noted that this system can notify residents in specific areas of the City when a special event is happening which may close a road or any other type of activity. Police Chief Boisvert feels that this is a generous package for what they are offering. This system is relatively new to this area but has been successful in other communities. Upon motion of Councilwoman Fogarty, seconded by Councilman Foglia, this Resolution was approved and adopted.

RESOLUTION NO. 8772 – The Council of the City of Watervliet hereby authorizes Bruce A. Hidley, City Clerk and Clerk to the Council to advertise once in the official newspaper that a Public Hearing will be held on Thursday, December 1, 2011 at 7:00 P.M. in Watervliet city Court for those persons who wish to be heard regarding the Estimate of Revenue and Expenditures for the fiscal year 2012 commencing January 1, 2012. Before voting Mayor Manning explained that this authorizes Mr. Hidley to advertise regarding the Public Hearing on the budget proposal presented at tonight's City Council Meeting. Upon motion of Councilman Foglia, seconded by Councilwoman Fogarty, this Resolution was approved and adopted.

APPROPRIATIONS AND ACCOUNTING

RESOLUTION NO. 8773 – The Council of the City of Watervliet hereby authorizes the amended and restated refunding Bond Resolution dated October 20, 2011 and authorizes the refunding of all or a portion of certain outstanding Bonds, stating the plan of refunding and further authorizes the issuance of not to exceed \$2,800,000 refunding Bonds and determining other matters in connection therewith. Before voting Robert A. Fahr, Director of Finance explained that he had a Moody's conference call regarding the City's bond rating. Mr. Fahr noted that Moody's would be assigning an A1 rating with this refinance. In order to close on this bonding the City needed to make some changes to the Resolution passed on October 20th. The City is looking to get some rates next week if this is authorized tonight. Mr. Fahr would like to shift this from the stock market into the bond market. The City is still looking into a \$90,000 savings by doing this refinancing. The City will then need to figure if they want to front end load this to possibly save another \$50,000 next year and smaller amounts over the 10 year period. Mr. Fahr will advise the Council as soon as he hears what the rates are going to be. Upon motion of Councilwoman Fogarty, seconded by Councilman Foglia, this Resolution was approved and adopted.

ITEM #1 – Robert A. Fahr, Director of Finance explained to the Council that when Mr. Gleason gave his presentation the City is not amortizing any of the retirement costs which is \$300,000. The City could have lowered the tax rate but this would not have been fiscally prudent. Mr. Fahr noted that a lot of communities are doing this to stay within the property tax cap. With looking at what the City is getting in State Aid the Sales Tax reduction due to the Albany County population went up much more significantly than the City of Watervliet. The \$84,000 would be the shortfall if they went back to previous years. Mr. Fahr feels that this is a tremendous budget due to the hard work of Department Heads. The City's reserves are the best they have ever been. In the Moody's conference call they wanted to know the fund balance is at the end of this year. Mr. Fahr projected an increase to 1.2 million in fund balance. That takes into consideration appropriating \$250,000 of that in 2011. In the 2012 the City is appropriating \$290,000.

Before moving into the Public Comment Period Mayor Manning explained that the Capital District Regional Economic Development Council strategies plan that was submitted to compete against other regional Council's. Mayor Manning also explained that the Watervliet Arsenal Partnership bio-mass energy project made their list of proposed projects to fund. That would be a Power Plant burning something or a Steam Plant to service the steam needs of the Arsenal. They would be able to generate electricity which would be shared with the community.

PUBLIC COMMENT PERIOD

NONE

Bruce A. Hidley, City Clerk and Clerk to the Council announced on behalf of Rosemary Nichols, Deputy General Manager of Economic Development and Planning that the initial meeting for the micro-enterprise economic development fund will be held on Monday, November 21, 2011, at 7:00 P.M. in J. Leo O'Brien Senior Citizens Facility. Mayor Manning stated that as a part of a series of three grants over \$300,000 the City has received. There is \$200,000 for micro-enterprise which is targeting small business allowing them to add jobs. The City used to apply for these one at a time, this latest round the City applied for a larger pot of funding. The City will have the discretion to distribute in \$25,000 increments. The City has enough here to potentially fund eight micro-enterprise projects within the City. The City already has a list of interested parties. This meeting will be to add more potential candidates to the list.

Mayor Manning thanked all in attendance a very Happy Thanksgiving.

There being no further business to come before the Council a motion was made and seconded to adjourn. The meeting was adjourned at 8:05 P.M.

Respectfully Submitted,

Bruce A. Hidley
City Clerk and Clerk to the Council