

**MINUTES OF THE MEETING OF THE COUNCIL OF THE CITY OF WATERVLIET
THURSDAY, DECEMBER 7, 2017 AT 7:00 P.M.**

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

Roll call showed that Mayor Manning, and Councilman Patricelli were present.

Also present from City Administration were: General Manager Jeremy Smith, City Clerk & Clerk to the Council Scott O'Reilly, Director of Finance Michael McNeff, Corporation Counsel Yorden Huban, and Police Chief Mark Spain.

REPORT OF OFFICERS AND COMMITTEES

General Manager's Report

General Manager Jeremy Smith spoke about a recent Email that had been distributed to residents by Councilman Patricelli and cited some "misinformation" that the email included. The first issue Mr. Smith wanted to clear up was that the State Comptroller's Office performed an audit of the City's financials because to its financial status. General Manager Smith stated it was actually the City who asked the State Comptroller's office to come in and once they did, the State thought it would be a good idea to do a full audit because one hadn't been done in a few years.

Another issue that General Manager Smith brought up regarding the email to City residents was about the amount of input the City Council should have during the budget process. "In the state auditors findings", the email stated, "The Comptroller's office recommended the City change their budgeting process altogether so that the City Council would have more input." Mr. Smith pointed out that the State hasn't yet issued their findings but that an exit interview was held with himself, Director of Finance Mike McNeff, and the State Comptroller's office.

Director of Finance McNeff expanded on what was discussed in the exit interview. Mr. McNeff stated that the City's budget process was addressed during the interview and State believed the process was done well and it was "unprecedented" that the City came within one percent of its budgeted numbers. One critique that came out of the exit interview, according to Mr. McNeff, was how the City uses its fund balance, which has since, been rectified. Overall, the State Comptroller's office believed the City had a "well managed process" for their budget.

Councilman Patricelli responded by saying he didn't believe he was far off with some of his concerns raised in the email. He also found it hard to believe that the idea of changing or improving on the budget process was so contentious. Mr. Patricelli stated he did not receive a completed version of the budget until December 7, which was also the first time he had heard of the nineteen percent tax increase.

Councilman Patricelli also stated that he had spoken to the State's auditor directly, and she said the City Council needed to be more involved in the review of the City's bills, operations, and their budgeting process.

General Manager Smith then stated that Director of Finance Mike McNeff had recently spoken to the woman from the State Comptroller's office that conducted the exit interview, and

asked her specifically if she had indeed said these things to Councilman Patricelli, and she claimed she had not. Mr. McNeff noted that the State Comptroller's office did recommend more financial reports be given to the City Council but she did not see any problems with the City's current budget process.

Councilman Patricelli then commended General Manager Smith for his hard work on the 2018 budget and noted that the General Manager had been responsive to his emails and calls about the budget. However, Mr. Patricelli still believes it is in the City's best interest to have a meeting that could delve into the budget more thoroughly.

Mayor Manning then asked for clarification as to what the woman from the State Comptroller's office said to Councilman Patricelli. Councilman Patricelli again stated she stated the City Council should be more involved in the budget process, specifically with regards to how the City uses its reserves and its spending. Mayor Manning then asked if she recommended "totally changing the budget process" as was stated in the email Mr. Patricelli sent out to the public. Councilman Patricelli responded that he didn't remember what her exact words were.

OLD BUSINESS

PUBLIC HEARING – A Public Hearing for the purpose of hearing those persons who wish to be heard regarding the Estimate of Revenue and Expenditures for the fiscal year 2018.

Prior to the opening of the Public Hearing, General Manager Smith wanted to address two of the major questions people may have regarding the proposed budget. The first was, what would the citizens and tax payers be getting with a nineteen percent tax increase. Mr. Smith stated the City would now have a stabilized budget that isn't reliant on the use of fund balance or debt reserves. He also claimed that the City would now have a more accurate and realistic budget and that the City would not be "backing into a predetermined number." General Manager Smith also pointed out that expenditures are being more accurately budgeted. For example, in recent years the City has budgeted twelve thousand dollars (\$12,000.00) for heat and electric but has never used that much money to cover those costs. In this budget, a four year average of what was spent has been used to come up with the budgeted number for heat and electric costs. General Manager Smith also stated that the City is now budgeting differently than in the past based on recommendations by the State Comptroller's office. One of those recommendations was, no longer listing revenues as negative expenditures.

Mr. Smith also pointed out that this proposed budget would allow the City to have its optimum level of staffing. One of the additions to the staff would be a full time employee in the economic development department to help with acquiring grants to fill the vacant homes and business that are currently in the City. Another would be a part time employee in the Building and Code Department to help new initiatives that had been brought up during the budget process. General Manager Smith went on to explain that this budget would allow for summer staffing in City parks as well as additional summer staffing in the Department of Public Works and Water Departments.

Mr. Smith also stated that the City would now have properly funded reserves such as accrued liability reserve, equipment reserve and a repair reserve. Funding these types of reserve accounts allows the City to put money away for when it is needed in the future.

General Manager Smith then addressed another question he felt many tax payers would ask about this budget. If this year's increase is nineteen percent, what does that mean for tax increases in the future? Also, what is the City doing to avoid a tax increase like this in the future? General Manager Smith stated that "although the City cannot predict the future, they can plan for it." One of the ways the City can plan for the future is by funding its reserves to avoid operating in a deficit. Mr. Smith also pointed out that the City has instituted an encumbrance system to track spending more accurately. Also, with the level of staffing that is proposed, the City will be able to increase revenues by filling vacant homes and businesses. With the help of the City's organic waste program we can lower expenditures by decreasing out waste tipping fees.

Mayor Manning officially opened the public hearing.

Gail Wood – Ms. Wood asked was the City's operating debt figure was currently. General Manager Smith stated that the operating debt amount was projected to be around seven hundred sixty thousand dollars which would be covered with the 19.2% tax increase.

Ms. Wood also asked about the City's Organic Waste Program. Mr. Smith explained that it was a pilot program for the City that, with the help of the new anaerobic digester located at the City Garage, disposes of food waste in a more eco-friendly and efficient way. By disposing of the waste this way the amount of money the City spends to dispose of waste at the county dump is lowered.

Bernie Valente – Mr. Valente stated that in 2011 his combined City and School taxes were thirteen thousand dollars (\$13,000), in 2015 they were raised to twenty-one thousand dollars (\$21,000.00), in 2017 his taxes went up to twenty-five thousand dollars (\$25,000.00), and with this proposed tax increase they would go up to thirty thousand dollars (\$30,000.00). Mr. Valente explained that he believed this was "outrageous" and stated "I don't know what I'm getting with that kind of increase over the last seven years."

Victor Porcopio – 400 13th Street – Mr. Porcopio asked the City Council expected anyone to afford this tax increase. He also asked if the elected officials planned on doing anything to lower the amount of the increase. He then asked if the 19.2% included school taxes, which Mayor Manning explained it does not. Mr. Porcopio then noted that it will harder to fill vacant properties with taxes being increased so much.

Councilman Patricelli explained some of the ways he proposes avoiding this issue in the future. One item he mentioned was the City creating an "Energy Department", that would be run by a City Resident, to look into the costs City incurs from heat and electric. Mr. Patricelli also stated he would like the Finance Committee to become "more formalized," and turned into a "Budget Oversight Committee," who can report to the City Council on a monthly basis. Lastly, he would like to see the City adopt a formal "Fund Balance Policy."

Kathleen Crudo – 1863 9th Avenue – Ms. Crudo had a question about general fund account “A1620” and why the number proposed is so much higher than it had been in the past. General Manager Smith explained that this was an example of the City budgeting more accurately. He explained that the large number in that budget line refers to a contract with M&T Bank for energy updates that were completed in City Buildings. In the past, this contract was paid with reserve funds, but being a “known expense,” it shouldn’t be. Ms. Crudo then stated that if we have items in the budget that are so large, they should have their own specific budget lines.

Councilman Patricelli then asked if the Water Fund pays any portion of the M&T Bank contract and General Manager Smith informed him that it does. Councilman Patricelli then asked if the City had any proof that the energy updates that were implemented were actually saving the City money.

Todd Smith – 902 19th Street – Mr. Smith pointed out that the proposed budget has five hundred thousand dollars (\$500,000.00) less in expenditures than the 2017 budget had. He also noted that the City has already made cuts to try and keep the tax increase as low as possible. Mr. Smith stated that the main reason for the increase is because the City has exhausted its fund balance and reserve accounts in previous years. Mr. Smith explained that although he doesn’t want taxes to increase because that will cause his rent to increase, if this budget stabilizes the City, financially, then it makes sense. He also noted that this tax increase would put the City of Watervliet “on par” with the surrounding municipalities.

Spiro Kurtoglu – 2516 2nd Avenue- Mr. Kurtoglu stated that his property was reassessed four years ago and that the assessed value went from Ninety-five thousand dollars (\$95,000.00) to Two-hundred thousand dollars (\$200,000.00) and that as a result his taxes have increased as well. Mr. Kurtoglu claimed that the City “lost a million dollars at the hydroelectric farm in Rome, NY” and blamed that for the City’s current lack of reserves. He also believes the City should stay under the 2% tax cap.

Kevin Moran – 734 8th Avenue – Mr. Moran commented that people are coming up with ideas to try and save money and lessen the tax increase but asked where these new ideas were for the last ten years.

He noted that his water bill is over five hundred dollars for a family of two that takes fourteen showers a week and does two loads of laundry.

Mr. Moran then asked what the City was doing to ensure that a tax increase like this doesn’t happen again in the future. He also stated that his taxes are going up while the value of his property is decreasing due to the amount of absentee land lords that currently operate in the City.

Jim Hayes – 603 16th Street – Mr. Hayes asked if the City borrows money from the Water Fund. General Manager Jeremy Smith explained that the City does not borrow money from the Water Fund but that the Water Fund pays for portions of certain employees’ salaries because of work they do for the Water Fund.

Mr. Hayes then asked if the City only had one hundred eighty thousand dollars (\$180,000.00) in the City's reserves. General Manager Smith explained that is the amount being budgeted to come out of the General Fund in 2018.

Paul Huban – 1600 12th Avenue – Mr. Huban, referring to the citizens in the room, said they were to blame because they voted for the people currently on the City Council.

Steve Jamrosz – 1213 4th Avenue – Mr. Jamrosz asked where the five hundred thousand dollars (\$500,000.00) that was taken out of the expenditures for 2018 came from. General Manager Smith explained that there were many places in the budget where expenditures were lowered but noted cutting overtime across the board and the Library no longer being funded by City taxes were two examples.

Mr. Jamrosz asked that the total value of the vacant properties in the City was. General Manager Smith stated he did not have those numbers in front of him but he would look into it.

Mr. Jamrosz also asked if departments, such as Highway and Water, could share staff members as a way to save money. General Manager Smith explained that the City already does share employees across departments.

Councilman Patricelli then stated that the City should not be cutting funding to entities such as the Senior Center, especially with the amount of money being saved by having the Library no longer on the City Tax Rolls.

Mr. Patricelli then noted some of the proposed personnel additions included in the 2018 budget that he disagreed with. Councilman Patricelli stated he did not agree with adding a part time code enforcement officer, he is against hiring an Animal Control Officer, and he is opposed to having a deputy corporation counsel for traffic court.

Jeff Foster – 1201 8th Avenue – Mr. Foster asked Councilman Patricelli if he was in favor of hiring four Police Officers. Councilman Patricelli stated that he was because adding officers cuts down on the amount of overtime that is paid out. Mr. Foster then said he too was in favor of the Police but that they should come in at a lower pay rate if they are transferring from other municipalities. Councilman Patricelli agreed, but explained that it is out of his control because the pay rate for Police Officers is a contractual issue.

Amy Jordan – 411 7th Avenue – Ms. Jordan asked if City Hall employees were contractual. General Manager Smith stated that they are not.

Ms. Jordan asked why the City's vehicle insurance went up from Eighty Four Thousand Five Hundred Dollars (\$84,500.00) to Two Hundred Twenty-Five Thousand Dollars (\$225,000.00). Mr. Smith explained that the \$84,500.00 that was listed in the 2017 budget was only the General Fund Portion of the vehicle insurance. In this proposed budget for 2018 the total amount from all funds is listed more accurately.

Ellen Hughes – 1871 9th Avenue – Ms. Hughes asked if the City had any plan to try and collect taxes from the arsenal. Mayor Manning explained that the City, legally, can't do that. Ms.

Hughes also asked if there were any other new revenues or incomes the City would go after in order to lower the tax increase. Mayor Manning stated that the City hasn't found anything substantial enough to offset the tax increase.

Jerry Crucetti – 499 Broadway – Mr. Crucetti stated that many of the private companies working inside the Arsenal are not going to be renewed once their contracts expire and asked if the City had any vacant properties could potentially move into and the City could collect taxes on them. He then asked what the potential revenue would be from all the vacant properties in the City that aren't paying taxes. Mayor Manning explained that vacant properties still pay taxes, as well as a vacant property fee.

Paul Hughes – 108 15th Street – Mr. Hughes agreed with everyone saying taxes should not be raised as much as they are but then asked everyone in attendance why they hadn't been to any City Council Meetings in the past. Mr. Hughes explained that when citizens come to the meetings and voice their concerns, the issues brought up are usually rectified by the City Council or City Administration. Mr. Hughes admitted that he did not agree with everything in the proposed budget, such as taking some funding away from the Senior Center but that in general he thinks his money is being spent "very well."

An unidentified citizen who failed to identify himself stated he understood that it takes money to run a City but that 19.2% was asking a lot, especially for Senior Citizens. He noted that Social Security was only increasing by two percent in 2018 and the majority of that would be taken up by increased health care costs. He also stated that he believed this tax increase will lead to the City having even more vacant properties than it already does.

Don Whitehead – 1921 8th Avenue – Mr. Whitehead pointed out that a 19.2% tax increase was tough but that the assessed value of property in the City went down 4.5 Million Dollars last year, meaning there is 4.5 Million Dollars' worth of land the City can no longer collect taxes on.

Mr. Whitehead then noted a few places the City could cut in the proposed budget, citing the stipend Firefighters receive for operating the ambulance and the reimbursing of City employee health insurance co-pays. Mr. Whitehead stated that if those two lines were cut from the budget, the proposed increase would be cut nearly in half.

Mr. Whitehead also noted that the Watervliet Housing Authority owns a lot of property on potentially taxable land and suggested the City make the Housing Authority sell the property so it could be placed back on the tax rolls.

With there being no further comments for the Public Hearing, Mayor Manning closed the Public Hearing.

Being his first time dealing with the City budget, Councilman Patricelli asked what the process was moving forward to make changes before the December 21 vote. Mayor Manning

explained that General Manager Smith would take all the comments from the public and the City Council into account when finalizing the proposed 2018 budget. General Manager Smith stated that he would welcome any further recommendations from the City Council and take them into consideration as well.

Councilman Patricelli then recommended that instead of showing what was budgeted in 2017 and comparing it to what is being budgeted for 2018, that the budget for 2018 be compared to what was actually spent in 2017. General Manager Smith stated that he would start working on that the following day.

ORDINANCE NO. 1798 – The Council of the City Of Watervliet hereby authorizes and directs Scott P. O'Reilly, City Clerk and Clerk to the Council, to publish once a week, for three weeks, in the official newspaper of the City of Watervliet, that the City Clerk will sell at public auction on Wednesday, January 3, 2018 at 10:00 AM in the City Clerk's Office, City Hall, Watervliet, New York 12189, the following described vehicles: 2006 Ford Crown Victoria, 2001 Ford Crown Victoria, 2003 Ford Crown Victoria, 2005 Ford Ranger Pick-up, 2001 Chevrolet Tahoe Suburban, 1992 International Boardman Fire Apparatus.

General Manager stated that these vehicles were no longer viable or needed for the City's fleet.

Being the second reading of this Ordinance, a motion was made by Councilman Patricelli to move on the Ordinance, which was seconded by Mayor Manning, and the Ordinance was approved with a 2-0 vote.

RESOLUTION NO. 9436 - The Council of the City of Watervliet hereby appoints Francis G. McGrouty to the office of Councilman for the City of Watervliet to December 31, 2017.

After being tabled at the previous City Council Meeting, Councilman Patricelli made a motion to move on the Resolution, which was seconded by Mayor Manning and the Resolution passed with a 2-0 vote.

NEW BUSINESS

ORDINANCE NO. 1799 - An Ordinance adopting the Annual Estimate and fixing the rate to be employed in computing the amount to be collected for the City taxes for the year beginning January 1, 2018

This was the first reading of the Ordinance so no action was taken.

RESOLUTION NO. 9439 – The Council of the City of Watervliet hereby agrees to terminate the existing agreement with Gramercy Communications.

General Manager Jeremy Smith explained that the City currently has a one year contract with Gramercy Communications, set to expire on December 31, 2017.

After a motion to move on the Resolution by Councilman Patricelli was seconded by Mayor Manning, the Resolution was put to a vote. The vote resulted in a 1-1 tie, Mayor Manning being opposed and Councilman Patricelli being favor, therefore the Resolution was not passed.

RESOLUTION NO. 9440 - The Council of the City of Watervliet hereby accepts the proposal of Flatley Read, LLC, PO Box 104, Schuylerville, NY 12871, to provide Lead Paint Risk Assessment services for the City of Watervliet Department of Planning and Community Revitalization as part of the NYS HOME Program and affiliated housing rehabilitation programs administered by the NYS Office of Community Renewal.

General Manager Jeremy Smith explained that Flatley Read was the lower of the two bids that were submitted.

Upon a motion by Councilman Patricelli, seconded by Mayor Manning, the Resolution passed with a 2-0 vote.

APPROPRIATIONS AND ACCOUNTING

NONE

Prior to the opening of the Public Comment Period Councilman Patricelli asked for an update on the status of payments for the Revenue Anticipation Note (RAN) the City recently received. Director of Finance Mike McNeff stated the City was on schedule to make the full payments for the RAN and that the City would be able to make the early payment to the Retirement System so that late fees are not charged to the City.

Councilman Patricelli then asked if any progress had been made regarding legislation associated with a Fund Balance policy for the City. General Manager Smith stated that he had been in contact with the State Comptroller's office to see what type of standards they require before legislation is drawn up.

Councilman Patricelli asked if the City had received any updates on the site clean-up taking place at Admiral Cleaners on Nineteenth Street by the Department of Environmental Conservation. General Manager explained that the DEC has been in contact with the City and that the work would begin in the middle of December and also pointed out that any and all information that is presented to the City would be available in the City Clerk's office.

Councilman Patricelli then asked for an update on a dilapidated house on Fourth Avenue. General Manager Smith stated that he had reached out to an engineer the City had used in the past to take a look at the house but that he had not heard back from him as of yet.

Fire Chief Rob Conlen then spoke about the City Fire Truck that was damaged at the large structure fire that took place in the City of Cohoes. He stated that he has been in contact

with the insurance adjuster as well as an individual from Stuphen Fire, the company that produces Fire Engines, and would have more information on the extent of the damage.

Mayor Manning then announced that the City had reached out to Representative Paul Tonko's office who may be able to provide some funding to repair the truck as well as Assemblyman John McDonalds office who stated they would try to get some funding from the State level.

PUBLIC COMMENT PERIOD

Paul Huban – 1600 12th Avenue – Mr. Huban commented on the work that was done on Third Avenue, particularly the black topping. He stated that the street looked great when it was completed but then the street was dug back up almost immediately and asked why the City didn't have a representative on site to ensure the work was done properly. General Manager stated that the City had a construction engineer on the project but agreed that the work was done incorrectly. Mr. Smith went on to state that the City was working with the engineer and the construction company to ensure we were not charged for work that was done incorrectly.

Mr. Huban then commented on the old school nine building and claimed that there are old fuel tanks in the ground that the City should have been aware of.

Kevin Moran – 734 8th Avenue – Mr. Moran asked Fire Chief Conlen if any of the City's Firefighters had been hurt during the large fire in Cohoes, and Chief Conlen informed him that none had.

Mr. Moran mentioned that the Town of Colonie was currently working on a plan to create an Industrial Park at the old Altec Steel site. He asked if the City of Watervliet had ever considered buying some of the vacant properties and doing something similar as a way to entice people to move into the City. General Manager Smith explained that the Lead Paint Risk Assessment Grant that was voted on earlier in the meeting was part of the HOME program that rehabs homes and essentially turns into a "revolving fund" that will keep funding the rehabbing of homes in the City.

Todd Smith – 902 19th Street – Mr. Smith complimented Fire Chief Conlen and his department on their work at the large fire in Cohoes.

Mr. Smith explained that he has been in contact with City officials as well as several local business owners and the Arsenal Partnership. Mr. Smith stated that, after the first of the Year, he would recommend the City start a "Small Business Association," similar to the Troy BID. The purpose of this association would be to promote business that are already in the City of Watervliet and put together events, such as concerts in the parks, which could raise funds to help the City offset some costs.

Mr. Smith then announced that his company would be designing promotional T-shirts and sweatshirts to promote the "We Are Watervliet" initiative. All of the profits from this

promotion would go directly to the Small Business Association as a way to get the group off the ground.

Andrea Hughes – 108 15th Street – Ms. Hughes offered, as a part of the Parks Committee, to help organize the summer concert series Todd Smith had just alluded to. She also announced that the Senior Center was selling Poinsettias for three dollars and if anyone was interested to see her.

Paul Hughes – 108 15th Street – Mr. Hughes asked a question about the taxes paid on vacant properties. He asked if the taxes could be raised after a designated period of time as a way to entice owners to fill the properties.

Police Chief and head of the Building and Code Department, Mark Spain explained that according to the Council of Mayors the City is not allowed to raise the taxes on a property because it remains vacant. Instead, what the City did was lower the vacant building fee to Fifteen Hundred Dollars but incentivized it by making it only five hundred dollars for the first year, One Thousand Dollars for the second year and Fifteen Hundred for the third year. If the property is made viable in that time frame the owner would get that money reimbursed to them.

General Manager Smith stated that dealing with vacant properties is not easy and that the amount of vacant properties in the City is one of the reasons he feels adding a part time code enforcement officer is necessary.

With there being no further comments, Mayor Manning closed the Public Comment period.

Mayor Manning made a motion to adjourn the meeting, which Councilman Patricelli seconded and the meeting was adjourned at 8:57PM.

***Next Meeting: December 21, 2017 7:00pm**

Respectfully Submitted,



Scott P. O'Reilly

City Clerk & Clerk to the Council