

The regular meeting of the Mechanicville City Council was held at the Senior Center, 178 North Main Street, Mechanicville, NY, on Wednesday, November 6, 2013. Mayor Sylvester opened the meeting at 7:04 p.m.

Roll Call: Mayor Sylvester - present
Comm. Seber - present
Comm. Chauvin - present
Comm. Higgins - present
Comm. Hipwell - present

Chief Waldron led the Pledge of Allegiance to the Flag.

Mayor Sylvester, seconded by Comm. Chauvin, moved that the minutes of the regular meeting of October 16, 2013 be accepted as prepared. Roll Call: Affirmative – all. Negative – none.

Mayor Sylvester congratulated everyone on their election, Tim, Dave, Jodi, and Dennis.

Comm. Seber said they ended water collection on the 31st. Said he makes a comparison from year to year, this year the total amount of bills they sent out were \$324,566.98 and they collected \$197,222.68, so the collection rate was about 60.76%. Said last year they collected about 60.86% so it was very, very similar to what they collected last year. Said water is a little bit different than some of the other taxes because if you don't pay water by January 30th of next year it's re-levied onto your tax bill so eventually they do get the water. Said he asked Jim DeVito to be here because they have had some conversations recently. Said they have a resolution tonight authorizing the purchase of a new fire truck. Said he thought they were going to plug it into the budget to go into the budget process and if it made it, it made it or it didn't. Said standing on its own, he has no idea what kind of impact it will have on the budget, said they are still looking at a 2% tax cap and he thinks it's premature to do this. Said he still wants to plug it into the budget. Said in his conversations with Jim he brought up some figures. Said he's working on 2012 that really troubled him. Asked Jim is he would go over some of these figures in terms of fund balance. Said he thinks it's important for everyone to hear this before they vote on it.

Jim DeVito said basically what he sees is the 211 numbers finally got filed so now they are going to the 2012 and they are getting very close to filing that also then next is 2013 to get current with that. Said what he sees right now is that they have 3 funds to worry about now. Said at the end of fiscal year 2012 the sewer fund is fine, you are operating in the black. Said what he sees at the end of 2012 and 2013, the general fund and the water fund are operating in the red. Said basically when the 2013 budget was put together the numbers looked good. Said when 2013 budget was done there was a gap of \$400,000 in expenses so the way you balance a budget you dive into a fund balance of \$400,000 that he doesn't see is there. Said now if you carry every number forward, if you didn't change one number from 2013 to 2014, you kept every number on the revenue side and the expenditure side the same, didn't change it one cent, you still have a \$400,000 budget gap going into 2014. Said the big problem is you have no reserve, you have no fund balance to use to balance your 2014 budget. Said now what do you do, you sit there and say you can raise taxes but when you raise taxes in Mechanicville, every 1% that you raise in taxes only gives you an additional \$20,000. Said right of the bat you have a \$400,000 gap in your 2013 budget so that \$400,000 isn't going to be there next year. Said right of the bat you would have to raise taxes 20% times \$20,000 to make up the \$400,000 going into 2014 before you even look at any numbers changing from health insurance, retirement, payroll, anything you can think of. Said from his standpoint that is where he sees the city is at. Said out of three funds you have one operating in the black positive and you have two that unfortunately he sees they are operating in the red right now.

Comm. Seber thanked Jim and said he thinks it's important that everyone know where they stand before they start spending \$480,000. Said he has no objection of putting whatever the bond payment is going to be into the 2014 budget process and as they work through the budget maybe there will be some additional revenues, maybe there will be some other areas they can cut the budget to get those tax increases down and then if it survives, it survives and if it doesn't, it doesn't.

Comm. Chauvin had nothing to report at this time.

Comm. Higgins said a U Haul truck ran over a fire hydrant on First Street and ripped it out and they had to put a new hydrant in, said they are working on one on Park Avenue and the NYSEG lot is out of service that they have to work on.

Comm. Hipwell thanked everyone for their backing that came out and voted last night, he appreciated it. Said on 10/23 they had a fox on Harris Avenue, he had to get a hold of Joe Waldron and his people and they took care of the fox and they tested it and it came up negative for rabies. Said on 10/24 he had to go with the lieutenant as they had a dog issue and they had to take it up to the shelter. Said they are looking for bell ringers for the holidays that are coming around the corner. Said his office will be doing 6 families for Christmas. Said if anyone knows of anyone that needs help, get their names in asap.

City Attorney Serbalik said the council has held off on certain meetings that they were scheduling on existing contracts that they wanted to wait until after the elections to bring in the new Commissioners and the Mayor. Said he would like

permission to give them information that would otherwise be available so they will know exactly where you stand on these issues. Said he needs council permission.

Comm. Seber said he had no problem with that, thinks it's a good idea to get these guys up to speed by the first of the year because there are a lot of things going on that they need to be aware of.

Chief Waldron requested an executive session on a personnel matter. Said tomorrow he will be attending a risk management training put out by the city's insurance carrier up in Warren County. Said its basically for their policy and procedures to make sure they cross their t's and dot their I's and make sure they limit their liability and the overall impact is less insurance. Said the police car is just about done. Thanked Dave and his guys who have been working hard helping him with their cars and it costs them a lot less to fix them and outfit them, it usually costs around 10 to \$12,000.

Supervisor Richardson said they will probably read in the paper tomorrow that the Saratoga County Economic Development Committee is working with Luther Forest Technology Park along with the Towns of Stillwater and Malta along with the Saratoga County IDA in regards to looking at the two amendments for the PDD for the Luther Forest Technology Park for the possibility of future tax abatements for future companies coming into the park. Said right now the PDD says there are no tax abatements allowed in there so it's something that the county and the towns are working together on and hopefully that will move forward to bring some new companies into the Technology Park. Said earlier today Mechanicville/Stillwater IDA passed unanimously a resolution to give the Esplanade Project their Pilot Program so that the Esplanade Project can continue so we will see some buildings up the street here sometime next year.

Comm. Seber said that Malta deal, he knows the Supervisor over there has been wanting to give tax breaks to businesses.

Supervisor Richardson said one of the things that the county is going to do is do roads in the park right now and Malta has not been able to collect money from the Luther Forest Technology Park because financially they are having problems so it looks like Saratoga County will take over those roads to help the Town of Malta out by relieving them of that expense.

Chief Alonzo said in October the fire department responded to 25 emergency calls. Said their fire prevention program was in full swing in getting all the classes at the elementary school, the preschools around the city and daycare centers. Said as they have all heard, there is a resolution on the floor in regards to a purchase of a new fire engine. Said this isn't something new and he's extremely concerned about the financial state of the city as well but he's also concerned about the age of their equipment. Said they have had previous conversations and meetings with the council to get to this point. Said they worked hard as far as finding the appropriate piece of apparatus and even the willingness to give up two of their apparatus in place of just getting one. Said the concern he has on the apparatus is the age, they have an engine that is 25 years old and one that is 30 years old. Said next year Mechanicville is due for an ISO rating which is done by the insurance service office and it's done every 10 years and you get a 1, 2, 3 or 4, there are only 40 cities in the entire country that are #1 rated which is based on age of apparatus, maintenance and testing of equipment. Said he feels that if they don't start replacing apparatus soon, anything over 20 years old is supposed to be on reserve and they have two that are over that. Said if it doesn't come out of the tax money, he's not looking to raise anyone's taxes by any means, it will come out of your homeowner's insurance and will probably be more than if they put on a bond for a 20 year payment in the area of about \$40,000 a year. Said he absolutely understands their concerns but he still would like to see the council move forward. Said he's good with whatever the outcome is. Said since they have closed down Station 2 they agreed they would come back 6 months later with a response analysis which he gave the council. Said to sum it up the average response time has been reduced by nearly 1 minute and it's been about 8 months since the consolidation of personnel and vehicles into one station. Said what the data doesn't show is the consistent increase in crew safety due to all personnel responding to one station and responding together in a unified response. Said the chiefs believe that both the fire department and tax payers have a dual benefit of quicker response time and more efficient vehicle deployment.

Comm. Seber asked what he considers a response time, once the trucks leave the garage.

Chief Alonzo said from the time the pager goes off to the time the first apparatus gets to the scene. Said on average they are out the door in 3 minutes on average.

Mayor Sylvester said his question is this got this truck a little premature when they sat down with the budget, that was the whole price on the truck, if they were to vote yes on this tonight and they get into their budget and it can't go and we cancel the whole thing.

Chief Alonzo said the contract that he has seen has stipulations that say sign upon the approval of a budget and bonding so there is a stipulation that if you do pass it tonight and it doesn't get bonded or budgeted, there is no penalty to the city and it is 8 months away from the time that a contract is signed to delivery.

Mayor Sylvester said he's looking at the flexibility to hold the price.

Chief Alonzo said absolutely, he feels their vendors have worked very well with them and understand what's going on.

Attorney Serbalik said if they are going to do that, in the resolution it should say subject to contract approval.

Comm. Seber asked if he knew how many votes they need to bond something.

Attorney Serbalik said it's indebtedness, the council has to vote on it, it certainly needs a majority, maybe 4, he doesn't know.

Mayor Sylvester said in the last line it says bonding not to exceed \$486,545.00, should stick in there the outcome of the budget.

Attorney Serbalik said a contingency of their approval could certainly be upon budget approval including this item.

Comm. Seber said not just budget approval, this needs to be in the budget.

Attorney Serbalik said if you want to make the purchase of the truck contingent upon it being included in the budget that should be specified. Said if they want it that way they can read it "contingent upon approval of the expenditure in the upcoming 2014 budget".

Comm. Seber said he thinks it's irresponsible of them at this time to pass this resolution until they plug it into the budget and see how it shakes out, that's all he's asking. Told Chief Alonzo that they do a heck of a job, he's been involved in some of their meetings, they were terrific on this, they got a great price. Said his problem is he knows their financial situation and he wants to deal with this in a contract of a budget. If it makes it, it does, if not it doesn't. Said they had a wish list meeting a couple of weeks ago and everyone wants some things, they may or may not make it. Said he thinks standing alone is too dangerous.

Mayor Sylvester said they could table it until the 15th.

Comm. Seber said what can they do by the 15th, the budget isn't due for another month or so.

Mayor Sylvester said they can have a couple of workshops to see where they stand. Said he doesn't want to put a burden on top of somebody else.

Comm. Seber said they may be looking to cut the budget, that's his fear here.

Mayor Sylvester opened up the meeting to public comment.

Dennis Baker, Broadway said he's not involved in the fire department but he thinks asking to look at the fire truck at the next meeting is a great idea.

Dave DeMarco, 52 Warsaw Avenue said what he is worried about with this is yes they do need another truck but they do have the two backups. Asked how much the city would lose a year because the Esplanade has IDA approval. Said we will lose taxes.

Comm. Seber said there is no longer a building there, it's a hole in the ground, that was assessed at \$3.2 million dollars. Said he has no idea what 10 acres of vacant land would be assessed at. Said he thinks under the Pilot the city will get around \$7,800 a year.

Mr. DeMarco asked what we got before.

Comm. Seber said they were getting like \$50,000 before but that was on a 3.2 million dollar assessment. Said the entire taxable assessment in the City of Mechanicville is around \$149,000. Said say the tax levy is 2 ½ million dollars, we will still get that, what happens is the homeowners pay a little bit more, you will pay anyway because it's a hole in the ground. A year ago you would have lost 3.2 million dollars but now you may not lose anything. Said he looked at the Pilot and we almost broke even. Said we will make about \$80,000 additional fees in water, about \$125,000 additional in sewer fees, they will give us \$50,000 to help improve the intersection up there. Said just on demolition we made about \$15,000 on water and our building permits will be \$150,000 in stages. Said we will lose money on the assessment end but on the other end the water and sewer are annual payments. Said it will almost be a wash in the end.

Mr. DeMarco said he's just afraid his taxes will go up 40 or 50% just to cover what we have already. Said we haven't seen a full budget in years, we don't know what we have. More discussion was held on this.

Kim Dunn said that was shocking, it's good to have the information but it's very scary. Said she's not questioning that they need a new fire truck but said as she drives around there are so many houses for sale. Said she fears with everything that she is hearing that we will drive everyone out of Mechanicville because no one will be able to afford their taxes if they keep going up. Said it's shocking to hear that we are that much in the red. Said she was wondering if anything will change with the \$70,000 we give the ambulance.

Attorney Serbalik said they haven't done a contract to provide services at this point. Said the city council has been negotiating an agreement whereby the city would lease the old fire station to Halfmoon and Clifton Park. Said that would be contingent upon them entering into a service agreement. Said they haven't sat down with them to discuss the terms of the service agreement.

Mrs. Dunn said then we won't know if it's going to be the same or more.

Comm. Seber said the worse case is it would be the same, which they have agreed on, it won't be more than \$170,000. Said there is some work that needs to be done there so they are trying to leverage it to maybe get some of that work done but that's a matter of negotiation with them. Said it will not be more, at least in the first year and they are talking about maybe a five year contract. Said if there are increases they will be spelled out in the agreement so there are no surprises.

Mrs. Dunn said the other day she came through that area and with the Ugly Rooster in there it will cause a huge amount of increased traffic. Asked if anyone thought about looking into that. Said she was just thinking about an ambulance trying to get out of there, people coming and going. Asked if the \$32,000 is coming out of the grant.

Mayor Sylvester said out of a grant, it's for the train station. Said it's a matching grant and the building was the match so the match has already been paid. Said they will pay and then the state will reimburse them. Said the value of the building is the match.

Mrs. Dunn asked Comm. Seber if he said water that was not paid goes onto next year's tax bills.

Comm. Seber said if you haven't paid by January 30th. Said they are working on the tax sale.

Comm. Higgins asked what our tax sale would do to our deficit.

Mr. DeVito said that's one of the misnomers. Said when you fill out your taxes you are setting up a receivable in that particular year that you are actually sending out the taxes, you are counting that as revenue for that particular year so what that does is if people don't pay their taxes it's still being counted on your books as a revenue, it's just that there is a big receivable on your books. Said what that does to the city, it hurts your cash flow. Said if everyone came into the city tomorrow and paid all their back taxes.

Comm. Higgins said we will still be \$400,000 in deficit.

Mr. DeVito said absolutely, all it would do is help your cash flow in the city so you wouldn't have to go out and borrow money, it's not going to change your bottom line.

Mrs. Dunn asked when the next budget workshop will be.

Comm. Chauvin said he didn't know, he would have to talk to Jim.

Deputy Comm. Proper said plan something right now.

Comm. Seber said they will have to include the newly elected people.

Deputy Comm. Proper said tell them where and when and they will show up.

Comm. Seber said have Finance give them a memo tomorrow and when it will be and they will show up.

Mayor Sylvester said they need time to put it in the paper. Said the 14th sounds good to him.

Comm. Seber talked more about the Esplanade property with Dave DeMarco. Also talked about the fire truck.

Mr. DeMarco talked about all the water customers we are losing.

Attorney Serbalik talked about the Esplanade Project and how in August they met with the Planning Board and only conditional approval was given to them because they wanted to see certain things done. Said the project is not fully approve at this time and you are talking about those revenues.

Fred Metzger, local Land Surveyor, said he was here on behalf of Mike McBride in regard to Elizabeth Street. Said he's looking to put up a 4 unit and 3 unit on Elizabeth Street and there will be some tax base created from them. Said what he is proposing over there is a strip of land over there between what he actually owns and what the city has paved over there from his property line. Talked about the situation up there. Said what he would like to do is purchase that piece from the city and add it to what he owns over there and then cut it into 3 parcels total. Said he would like to purchase it from the city without having to go through the normal process of the public auction only for the fear that someone might outbid him or something because that would render his entire project useless. Said or if the council could make a special agreement where they would allow him to purchase it or if he could lease it for the use of parking.

Attorney Serbalik said sale of city owned property is governed by the state and city charter which says any city owned property is by public auction or bid.

Discussion was held on this.

Mayor Sylvester said they will look into this. Said he would love to see this project go forward.

Comm. Seber told him to give them an idea of what stipulations they want for a lease agreement. Said even if its 3 or 4 things. Said they all would like to see it go forward.

Mr. DeMarco said even if they put a lease agreement together it still has to go to public auction.

Comm. Seber said he is right.

Mayor Sylvester made a motion to table Res. 76-13 on purchasing a new fire truck, seconded by Comm. Hipwell.

Roll Call:	Mayor Sylvester	- yes
	Comm. Seber	- yes
	Comm. Chauvin	- no
	Comm. Higgins	- yes
	Comm. Hipwell	- yes

Comm. Seber read RES. NO. 77-13 BARTON & LOGUIDICE PROVIDING ENGINEERING SERVICES FOR THE PRESERVATION OF THE RAILROAD STATION AT AN ESTIMATED MAXIMUM FEE OF \$32,000

Comm. Seber said Jim brought this up earlier, this is a \$100,000 grant the city received to begin the restoration on the railroad station. Said they took possession of the railroad station a year or two ago and it's a 50/50 match. Said they had an appraisal done of the building and it was well in excess of \$100,000 so under the rules of the grant we could use the value of the building to offset our match. Said because of that there is no local money being put in the grant. Said they have to come up with the money and then be reimbursed for it. Said this is a Dept. of Parks grant and we have given them a lot of information and the appraisal and they are overwhelmed with work and through no fault of theirs they haven't gotten back to us to finalize it and we can't spend a nickel on this until we get approval. Said Barton & Loguidice are comfortable with this. Said they can award the contract which he has no objection to but can't spend anything until they get final approval from Parks.

Supervisor Richardson said Momentive will help us with the project at no cost.

Introduced by Comm. Seber, seconded by Comm. Chauvin.

Roll Call:	Mayor Sylvester	- yes
	Comm. Seber	- yes
	Comm. Chauvin	- yes
	Comm. Higgins	- no
	Comm. Hipwell	- no

Comm. Chauvin read RES. NO. 78-13 PAYROLL AND VOUCHERS

Introduced by Comm. Chauvin, seconded by Comm. Higgins. Roll Call: Affirmative – all. Negative – none.

Mayor Sylvester made a motion at 8:01 to close the regular meeting to go into executive session for a personnel matter, seconded by Comm. Chauvin. Roll Call: Affirmative – all. Negative – none.

Mayor Sylvester made a motion to close the executive session at 8:40 p.m. to re-open the regular meeting, seconded by Comm. Hipwell. Roll Call: Affirmative – all. Negative – none.

Comm. Chauvin made a motion to adjourn the regular meeting at 8:42 p.m., seconded by Comm. Seber. Roll Call: Affirmative – all. Negative – none.