

CITY COUNCIL MEETING

April 27, 2009

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Mayor Nelson called the meeting to order and asked the Clerk to call the roll:

PRESENT: Mayor Nelson, Councillors Flynn, Hannan,
Powers, Morley, Sholette and Vaugh

ABSENT: None

PUBLIC HEARING

1. A public hearing was held regarding Lease of Municipal Property at the Community Center.

The following spoke against the proposed lease agreement:

- Tim McCabe, owner of the Freighthouse Restaurant
- Doug Loffler, 311 Paddock Street, Ogdensburg
- Debbie Jansen, 31 Market Street, Ogdensburg

The following spoke in favor of the proposed lease agreement:

- Michael and Stephanie Miller, Ogdensburg, NY
- Tony Seldomridge, 251 Old State Road, Rensselaer Falls, NY

No one else being present to speak, the hearing was declared closed.

2. A public hearing was held regarding an Ordinance to amend AR entitled "Dobisky Center Building Use".

The following spoke against allowing alcohol in the Dobisky Center Building:

- Tim McCabe, owner of the Freighthouse Restaurant
- Doug Loffler, 311 Paddock Street, Ogdensburg

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No one else being present to speak, the hearing was declared closed.

CORRESPONDENCE

1. City Clerk Kathleen Bouchard read a letter from the American Legion Post 69 requesting permission to hold the Memorial Day Parade on May 25, 2009 at 10:00 am. Mrs. Bouchard advised Council that the Police Chief has reviewed this request and approved it. (A copy follows these minutes.)

PERSONAL APPEARANCES

1. Barbara O'Keefe, President of Fort La Presentation, presented Mayor Nelson with a book sent by French resident Pierre Berjoan of Verjon, (the city where founder Abbe Picquet is entombed). Mrs. O'Keefe also updated Council on the Fort's upcoming projects.

2. Gilbert Jones, Jones Trombley Development Corporation, addressed Council questioning who owns the sidewalk and also requested eight to ten new handicapped parking spots at 101 Ford Street. Mr. Jones read a 1984 memo from then City Planner John Krol to City Engineer Bill Gray, City Manager Dan Fitzpatrick and City Attorney Kathy Wears. (A copy follows these minutes.) Mr. Jones stated that this memo says the sidewalks are the property of Gaetano. Mr. Jones said that City Manager Arthur Sciorra told him staff needs to research this and Mr. Jones advised Council that his project is six weeks behind schedule.

Mayor Nelson moved this discussion to New Business.

3. Joseph Basta, 818 Main Street, read a prepared statement to Council regarding the Standard Shade Roller Property. (A copy follows these minutes.)

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CONSENT AGENDA

Mayor Nelson moved that the claims as enumerated in General Fund Warrant #8-2009 in the amount of \$703,969.71 and Library Fund Warrant #8-2009 in the amount of \$26,779.35, Capital Fund Warrant #8-2009 in the amount of \$34,412.47 and Community Development Fund Warrant #8-2009 in the amount of \$140,692.03 and Community Renewal Fund Warrant #8-2009 in the amount of \$5,057.55 and HOME Fund Warrant #8-2009 in the amount of \$0.00 and AHC Funds Warrant #8-2009 in the amount of \$0.00 and RESTORE Program Warrant #8-2009 in the amount of \$0.00, as audited, be and the same are ordered paid and Councillor Flynn seconded the motion.

The vote was:

CARRIED, AYES ALL

APPOINTMENTS

1. Mayor Nelson moved the appointment of Amy Warchol to the Recreation Committee, term to expire 12/31/16, and Councillor Vaugh seconded the motion.

The vote was:

CARRIED, AYES ALL

ITEMS FOR COUNCIL ACTION

1. Councillor Powers moved a resolution authorizing the City Manager to enter into the necessary agreements to operate the concession at the Dobisky Community Center, and Councillor Morley seconded to wit:

ORDINANCE # 3 OF 2009
AN ORDINANCE TO AUTHORIZE A LEASE OF
MUNICIPAL PROPERTY

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY
OF OGDENSBURG, NEW YORK, AS FOLLOWS:

ITEM ONE: An ordinance to authorize a lease of municipal property at the Dobisky Visitors' Center to North Country Food Services dba Seaway Café and Catering.

ITEM TWO: The City Manager has presented the attached proposed agreement to lease space at the Dobisky Visitors' Center. The lease term shall be for an initial period of three (3) years, with an option to renew, unless either party provides prior written notice to the other of its intention not to renew not less than 120 days prior to the expiration of the then current Term.

ITEM THREE: The City Manager is hereby authorized to execute the attached lease agreement, hereby made part of this ordinance.

ITEM FOUR: Passage of this ordinance shall be by a vote of three-fourths (3/4) of all members of the City Council

ITEM FIVE: This ordinance shall take effect ten (10) days after publication of notice that shall give the title and describe same in summary form.

After much discussion from Council about the proposed 3.5% rent, restaurant versus concession, alcohol use, and request for a cost analysis on expenses by the City, Mayor Nelson moved to table this resolution and Councillor Vaughn seconded the motion.

The vote to table was:

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AYES: Mayor Nelson, Councillors Flynn,
Hannan, Powers, Sholette and Vaugh

NAYS: Councillor Morley

TABLED, 6 TO 1

2. Councillor Flynn moved an Ordinance to amend the Administrative Regulations, §AR-26.2.(B)(2)(h) entitled “Dobisky Center Building Use”, and Councillor Vaugh seconded to wit:

ORDINANCE #4 OF 2009

TO AMEND ADMINISTRATIVE REGULATIONS ARTICLE III, CITY HALL POLICIES, SECTION AR-26.2.(B)(2)(h)– DOBISKY CENTER BUILDING USE

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF OGDENSBURG, NEW YORK, AS FOLLOWS:

ITEM ONE: That Article III, City Hall Policies, Section AR-26.2 (B)(2)(h) Dobisky Center Building Use, is hereby amended as follows:

DELETE: (h) No alcoholic beverages are permitted.

ADD: (h) Alcohol is permitted only in accordance with the City’s approved alcohol policy agreement.

ITEM TWO: This ordinance shall take effect ten (10) days after publication of notice which shall give the title and describe same in summary form.

City Manager Arthur Sciorra explained that the alcohol policy for our municipal facilities was passed on 1/26/09 and this ordinance will make the policy and the Community Center Building Use consistent. Mr. Sciorra said this is a housekeeping issue and advised Council that they can change the Alcohol Policy.

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Mayor Nelson stated that he performed a marriage at the Community Center and the bridal couple weren't permitted to have a glass of champagne inside the building. Mayor Nelson added that this change will allow alcohol use with an alcohol permit.

The vote was:

AYES: Mayor Nelson, Councillors Flynn,
Hannan, Powers and Vaugh

NAYS: Councillors Morley and Sholette

APPROVED, 5 TO 2

3. Councillor Sholette moved a resolution authorizing only the Mayor and the City Manager to attend and represent the City and Council at upcoming conferences due to dire economic conditions, and Councillor Morley seconded to wit:

RESOLUTION

WHEREAS, the overall economic conditions of the Federal, State and local governments facing unstable economic conditions require responsible government spending; and

WHEREAS, the Ogdensburg City Council should evaluate each and every Council expenditure responsibly; and

THEREFORE BE IT RESOLVED, that due to these dire economic conditions, only the Mayor and City Manager as representatives of the City and Council, should attend any conferences deemed necessary; and

BE IT FURTHER RESOLVED, that the Mayor and City Manager, make a presentation of conference information and materials received from these conferences, at the next scheduled City Council meeting.

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Councillor Morley moved to amend this resolution by adding “temporary for this fiscal year, 2009”. The motion died for lack of a second.

After much discussion amongst Council, the vote was:

AYES: Councillors Morley and Sholette

NAYS: Mayor Nelson, Councillors Flynn,
Hannan, Powers and Vaugh

DEFEATED, 5 TO 2

4. Councillor Morley moved a resolution authorizing the City Manager to submit a Clean Water State Revolving Fund (CWSRF) project listing form and application package to the New York State Environmental Facilities Corporation (NYSEFC) for the Wastewater Treatment Plant Energy Efficiency Improvement Project and enter into and execute a project agreement with NYSEFC, and Councillor Powers seconded to wit:

RESOLUTION AUTHORIZING SUBMISSION OF A
CLEAN WATER STATE REVOLVING FUND (CWSRF) APPLICATION TO THE
NEW YORK STATE ENVIRONMENTAL FACILITIES CORPORATION
(NYSEFC) FOR THE WASTEWATER TREATMENT PLANT ENERGY
EFFICIENCY IMPROVEMENT PROJECT

WHEREAS, the Wastewater Treatment Plant (WWTP) energy efficiency improvement project, to be funded in part by the NYSEFC CWSRF, has been determined to be in the public interest; and

WHEREAS, the WWTP energy efficiency improvement project will positively affect the environment; and

WHEREAS, the project will result in a reduction of energy usage and cost at the WWTP;

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NOW, THEREFORE, BE IT RESOLVED that the Ogdensburg City Council hereby authorizes the City Manager to submit a Clean Water State Revolving Fund (CWSRF) project listing form and application package to the New York State Environmental Facilities Corporation (NYSEFC) for the Wastewater Treatment Plant Energy Efficiency Improvement Project and, upon approval of said request, to enter into and execute a project agreement with the NYSEFC.

The vote was:

CARRIED, AYES ALL

5. Councillor Powers moved a resolution authorizing the City Manager to submit a Clean Water State Revolving Fund (CWSRF) project listing form and application package to the New York State Environmental Facilities Corporation (NYSEFC) for the Water Distribution Improvement Project and to enter into and execute a project agreement with NYSEFC, and Councillor Vaugh seconded to wit:

RESOLUTION AUTHORIZING SUBMISSION OF A
CLEAN WATER STATE REVOLVING FUND (CWSRF) APPLICATION TO THE
NEW YORK STATE ENVIRONMENTAL FACILITIES CORPORATION
(NYSEFC) FOR THE WATER SYSTEM DISTRIBUTION IMPROVEMENT
PROJECT

WHEREAS, the proposed water system distribution improvement project, to be funded in part by the NYSEFC DWSRF, has been determined to be in the public interest; and

WHEREAS, the water distribution improvement project will positively effect the City's water distribution system's fire flow and pressure; and

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WHEREAS, the Lake Street Bridge supports a portion of the water distribution piping that passes potable water from the water filtration plant on the west side of the Oswegatchie River to the portion of the City on the east side of the Oswegatchie River; and

WHEREAS, the Lake Street Bridge is now unsafe and must be removed;

NOW, THEREFORE, BE IT RESOLVED that the Ogdensburg City Council hereby authorizes the City Manager to submit a Clean Water State Revolving Fund (CWSRF) project listing form and application package to the New York State Environmental Facilities Corporation (NYSEFC) for the Water Distribution Improvement Project and, upon approval of said request, to enter into and execute a project agreement with the NYSEFC.

The vote was:

CARRIED, AYES ALL

6. Councillor Hannan moved a resolution authorizing the City Manager to submit a Clean Water State Revolving Fund (CWSRF) project listing form and application package to the New York State Environmental Facilities Corporation (NYSEFC) for the Lake Street Bridge Project and to enter into and execute a project agreement with NYSEFC, and Councillor Sholette seconded to wit:

RESOLUTION AUTHORIZING SUBMISSION OF A CLEAN WATER STATE
REVOLVING FUND (CWSRF) APPLICATION TO THE NEW YORK STATE
ENVIRONMENTAL FACILITIES CORPORATION (NYSEFC) FOR THE LAKE
STREET BRIDGE PROJECT

WHEREAS, the Lake Street Bridge project, to be funded in part by the NYSEFC CWSRF, has been determined to be in the public interest; and

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WHEREAS, the Lake Street Bridge supports the existing force main that transports the sanitary sewage from the west side of the Oswegatchie River to the City's WWTP on the east side of the Oswegatchie River; and

WHEREAS, the force main is a critical component of the City's sanitary sewer infrastructure; and

WHEREAS, the existing Lake Street Bridge is unsafe and must be removed;

NOW, THEREFORE, BE IT RESOLVED that the Ogdensburg City Council hereby authorizes the City Manager to submit a Clean Water State Revolving Fund (CWSRF) project listing form and application package to the New York State Environmental Facilities Corporation (NYSEFC) for the Lake Street Bridge Project and, upon approval of said request, to enter into and execute a project agreement with the NYSEFC.

The vote was:

CARRIED, AYES ALL

7. Councillor Flynn moved a resolution that will allow for the purchase and installation of automation equipment for the Water Filtration Plant, and Councillor Vaughn seconded to wit:

A RESOLUTION TO AWARD A CONTRACT
AND AMEND THE WATER FUND BUDGET

WHEREAS, THE City is continuing to institute measures to reduce expenditures and at the same time improve efficiencies in all areas; and

WHEREAS, as part of this endeavor the City recently specified and bid equipment that will allow us to automate the operation of the Water Filtration Plant; and

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WHEREAS, the installation of said automation equipment will contribute substantially to the reduction in cost of operating the plant; and

WHEREAS, the lowest bid received exceeded the budgeted amount of \$35,000.00;

NOW, THEREFORE BE IT RESOLVED that the City Manager is authorized to sign a contract with S & L Electric, of Colton NY, to purchase and install said equipment for \$63,720,

BE IT FURTHER RESOLVED, that the City Comptroller is authorized to transfer \$31,906, which will include a contingency of \$3,186, if needed, from the fund balance in the Water Fund to F83200.330 to cover the cost of the equipment and installation

The vote was:

AYES: Mayor Nelson, Councillors Flynn,
Hannan, Powers and Vaugh

NAYS: Councillors Morley and Sholette

APPROVED, 5 TO 2

Mayor Nelson requested to amend the agenda to add Agenda Bill #40.

There was a consensus of Council to act on Agenda Bill #40.

8. Mayor Nelson moved a resolution calling for a Public Hearing regarding the Sale of City-Owned Property in the Ogdensburg Empire Zone, and Councillor Powers seconded to wit:

A RESOLUTION CALLING FOR A PUBLIC HEARING
REGARDING THE SALE OF CITY-OWNED PROPERTY
IN THE OGDENSBURG EMPIRE ZONE

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WHEREAS, a portion of the City of Ogdensburg has been designated as a New York State Empire Zone, and

WHEREAS, New York State law, in order to further the purpose of the Empire Zone program, permits a local government entity to lease or sell, without public bidding or public sale, real or personal property it owns within the Empire Zone, and

WHEREAS, the City of Ogdensburg has acquired title, via tax foreclosure, to all that tract of land situate in the City of Ogdensburg known as 30 Main Street, Ogdensburg, New York bearing Tax Identification Number 48.078-4-32, which parcel is more particularly described in Exhibit "A", attached hereto, and

WHEREAS, Tubroburg, LLC desires to enter into a Purchase Agreement with the City of Ogdensburg for the pre-closing occupancy and purchase, of said real property, and

WHEREAS, the Ogdensburg City Council is desirous of encouraging the continued use and development of the real property which is improved by a cheese manufacturing plant, and

WHEREAS, New York State law mandates that such a Sale be finalized only after giving public notice in a local newspaper and conducting a public hearing,

NOW, THEREFORE, BE IT RESOLVED, that the Ogdensburg City Council shall hold a public hearing on Monday, May 11, 2009, at 7:00 p.m. at City Hall, 330 Ford Street in the Council Chambers regarding this proposed Sale of City-owned property, and

BE IT FURTHER RESOLVED, that the City Clerk shall publish a notice of such public hearing in the local newspaper, including such information as: (1) the identity of the Buyer as Tubroburg, LLC having a business address of 955 Browers Point Branch, Hewlett Neck, New York 15598;

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(2) that the purpose of the sale is to facilitate the use and development of a cheese manufacturing plant on the property; (3) that the sale price of such parcel has been established by the Ogdensburg City Council at \$900,000 (4) that Tubroburg, LLC have the right to occupy the property for the purpose of conducting cheese making operations for a fee of \$12,000 per month prior to the closing, (5) and that closing shall not occur later than June 1, 2010, 5:00 p.m.

Councillor Morley thanked the City Manager for his hard work to keep this plant open.

Mayor Nelson stated that this is great news, putting people back to work and creating business.

Councillor Flynn stated he is unable to attend the May 11 meeting.

The vote was:

CARRIED, AYES ALL

OLD BUSINESS

1. Councillor Morley questioned the Municipal Code regulations prohibiting bonfires in the City. Mayor Nelson said this is for the protection of homeowners. City Manager Arthur Sciorra stated he would review these regulations.

2. Councillor Morley stated that we received a \$750,000. Restore NY Grant a year ago for Shade Roller demolition and questioned why nothing has been done. Councillor Morley questioned how we will receive any further funding if we don't spend what we have. City Manager Arthur Sciorra stated that there is a substantial amount of asbestos in the building which drove up the cost to demo over the original estimate. Mr. Sciorra stated that the cost to demolish the building is up to about \$1.4 million and the state expects us to make up the difference.

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Councillor Morley said we acquired this building two years ago and are responsible for securing it. Mr. Sciorra stated we acquired the property due to the owner not paying taxes. Mayor Nelson said staff needs to update Council with a cost estimate to remove the asbestos, secure the building and demolish it. Councillor Powers asked if the \$750,000. grant was specific to the demolition of the building and can the asbestos abatement be started. Mr. Sciorra stated that the asbestos abatement is part of the complete demolition.

3. Councillor Sholette asked for an update on the Coast Guard's request to place a bulletin board at the Visitor's Center to post their waterfront events. Mr. Sciorra said we are reviewing this request but must also consider a bulletin board that can be used by all organizations wishing to post their waterfront events.

4. Councillor Sholette questioned if NYSDOT had been contacted about the no parking sign in front of Riverview Towers. Mr. Sciorra said they have been contacted.

5. Councillor Sholette asked for an update on the request for a certified weigh station at the Community Center. Mr. Sciorra said he is working on this and will keep Council updated.

6. Councillor Sholette asked for an update on the contract between the Rescue Squad and the City. Mr. Sciorra advised it is presently with their attorney.

7. Councillor Sholette questioned if the Diamond Property received a clean bill of health to allow fishing from it's shoreline. Mr. Sciorra said it is ok to fish from the shoreline.

8. Councillor Sholette questioned if we have received the \$280,000. Stonegarden Grant funding that was awarded to Ogdensburg Police and will be administered through the County. City Manager Arthur Sciorra said the funding has been received.

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9. Councillor Hannan questioned if we have contacted the schools to develop no smoking signs for the parks. Mr. Sciorra said he will get an update from staff.

10. Councillor Hannan asked if staff has any intention of moving the horse shoe pits. Mr. Sciorra said no.

11. Councillor Hannan questioned if Mr. Sciorra has an update on his recommended cuts to the 2009 budget and asked when Council can expect this information. Mr. Sciorra said this is under discussion but has no exact date as he has been focusing on the 2008 closeout.

12. Councillor Hannan stated that back in March, Mr. Sciorra said he was close to putting together a compensation recommendation and asked when Council can expect this information. Mr. Sciorra said he needs to meet with the Executive Compensation Committee first.

13. Councillor Hannan said in March Mr. Sciorra said he was developing a RFP for the City Attorney position and questioned the status. Mr. Sciorra said he is still working on it with Attorney Michael Gebo. Councillor Hannan said he has a couple issues with this as we've been without an attorney since July and issues came up tonight in which an attorney might have been helpful. Mayor Nelson asked Mr. Sciorra to develop a running status report on these outstanding items we're working on to streamline some of our meeting time.

14. Councillor Hannan said he asked in March for an update on the status of the joint application for the City's assistance to the Park Plaza owner and asked when Council can expect this information. Mr. Sciorra said there is no process, we are in court. Mayor Nelson said this information was provided in previous Council updates. Mayor Nelson requested the City Manager transmit all documents pertaining to this property to Council.

15. Councillor Hannan asked when the City Manager will provide an update on his 2009 objectives. Mr. Sciorra stated that he is working on the final strategic management plan with his staff.

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Councillor Hannan said that's not what he asked for and this was clarified in an executive session. Mayor Nelson said Mr. Sciorra is working on it.

16. Councillor Flynn said last year Council had City Attorney Katherine Wears prepare a memo to the Planning Board asking them to review the policy for the Storage of Unregistered Vehicles and we haven't received their recommendation. Councillor Flynn requested we send them another copy of this memo.

NEW BUSINESS

1. Councillor Morley introduced Mr. Gil Jones' request about the sidewalk and handicapped parking spots at 101 Ford Street . Councillor Morley stated he received an email about diagonal parking and questioned if this is feasible. Mr. Sciorra said Mr. Jones has changed his mind about who will do this project and how it will be done three times. Mayor Nelson asked the City Manager to schedule a meeting with the DPW Director, Planner and Mr. Jones to resolve this.

2. Councillor Sholette said the City is facing tough financial times and questioned if we can or have ever used grant money to fund the day to day operations. Mayor Nelson said no.

3. Councillor Sholette questioned the status of our written plan to pay our debt to the County. City Manager Arthur Sciorra stated that the City and County comptrollers are still in discussion. Councillor Sholette said he was on the County website today and saw a resolution from the Finance Committee regarding Home Rule which won't be good for the City of Ogdensburg. Councillor Sholette explained that Home Rule allows the county to petition the state to take away our sales tax or tax options.

Councillor Sholette added that the resolution states the reason for this is because they're not getting communication from us on how we're going to pay.

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City Comptroller Philip Cosmo stated that he has been talking to the County Treasurer and he is bringing some discussion to his finance meeting tonight. Mr. Sciorra stated that Councillor Sholette is mixing up property taxes and Home Rule, which deals with sales tax.

Mayor Nelson said Councillor Sholette is getting mixed information about our communication with the County.

4. Councillor Vaugh explained that the recent NYS Budget included a Bigger, Better Bill for water bottle redemption and could cause Ogdensburg Pepsi Bottlers and Misserts to face extra expenses and possible layoffs. After much discussion amongst Council, Mayor Nelson said he would send a letter to our representatives. Councillor Hannan suggested it would be more beneficial to invite our state representatives to attend a Council Meeting and address these issues.

5. Councillor Morley stated that the State Empire Zone funding ends 6/30/09 and questioned how we will fund the Economic Development position the rest of the year. Mr. Sciorra said he doesn't know at this time. Mayor Nelson asked Mr. Sciorra to address this in his recommended cuts to the 2009 budget.

6. Mayor Nelson said this Friday, May 1st will be a Relay for Life, Paint the Town Purple in the City. Mayor Nelson said the Relay for Life group is trying to raise money and make people aware of causes of cancer.

7. Mayor Nelson also said this Friday, May 1st the Special Olympics Torch Run will begin at City Hall at 7:30 am.

8. Mayor Nelson said Mr. Basta discussed the American Communities at the tonight's meeting and directed Mr. Sciorra to provide Council with a recap of the project information.

ITEMS FOR DISCUSSION

1. City Comptroller Philip Cosmo presented and explained a Summary Report for the 2008 Fiscal Year End Report. (A copy follows these minutes.)

Mayor Nelson moved to adjourn to Executive Session and Councillor Vaugh seconded the motion. Mayor Nelson stated there will not be Council action following this session.

On a motion duly made and seconded, the meeting was adjourned.

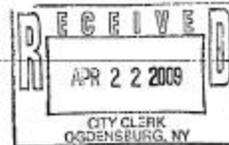
MEETINGS 2ND THURSDAY OF
EACH MONTH



THE AMERICAN LEGION

HANBRIDGE POST NO. 69
OGDENSBURG, N. Y. 13669

HOME 326 FRANKLIN STREET
TELEPHONE 393-1730



April 15, 2009

City Clerk's Office
City Hall
Ogdensburg, NY 13669

Dear sir,

Memorial Day is one of the most American of holidays. Pursuant to this, the American Legion Post 69 respectfully requests permission to hold the Memorial Day Parade and Ceremony again this year, on May 25th, 2009.

The plans call for it to start as in past years by Morrisette Park at 10 A.M. and proceed up State Street to the cemetery, where the ceremony will be held at the Veteran's Plot. In case of inclement weather, the ceremony will be held in the OFA dome.

The Mayor and all city officials are cordially invited to attend this function. Please reply by May 15th so plans can be finalized. After the event, soup and sandwiches will be available at the VFW building on Caroline Street. If you have any questions, you can contact the parade organizer, Al Mooney, at 393-7904.

Thank you.

For the good of the Legion

Al Recore
Al Recore, Commander

City Council Meeting 4/27/09

Public appearance Joseph Basta

818 Main Street, Ogd, New York

I have a few questions for the Ogdensburg City Council and City Administration.

Regarding Standard Shade Roller Property

It is now springtime and the natives are restless, I have noticed some activity in and around the dilapidated buildings. Their have been some of our very inquisitive youth exploring in there creative way, and even further damaging these premises.

I have mentioned this in the past and do not feel that it is my responsibility to be a watch dog for this property. I have been under the impression that the city told the former owner to secure at least the first floor windows and doors. When the city took ownership, I was told that the city would take care of it. Well for those that don't know, it's not been done. I have to believe it hasn't been secured because the city fathers and administration have no more responsibilities or account abilities than the rest of us tax payers, all 30% or so. So if it goes the way of the Diamond National, with a kid falling through the floor and suspiciously catching on fire, so be it, the city will just have to bear the consequences.

Speaking of the Diamond property, what has really become of it. We had a preferred developer. We didn't hear much, of course I asked, but was told, "can't talk about it, it's in negotiations". Well it must be out of negotiations now, so I hope we can talk about it.

Exactly who was negotiating for the city, for the developer?

What were the city's offers, counter offers by the developers?

How many Councillors were involved or aware of negotiations?

Did we have a value we wanted for the land?

Was it a token price, and assessed property value or an appraised value?

If we had received value for the land, would we have to reimburse that amount to the State of NY for cleanup cost?

Did we ask for some type of in kind payments to help with off site expenses that the city may incur, such as water and sewer improvements needed to handle the development?

At the presentation made by James Sharp, he included public access to the river, affordable housing in single, double and quad apartments, along with retail space as needed. He stated that public area would be done first, with housing next in the rear of the site first and housing added as market demanded. Retail space would be constructed as that market demanded. Was this not the gist of the of the RFP?

Could the city have demanded more than what was offered?

Is the letter from American Communities, saying that they were pulling out because of financial reasons public information?

Who has seen this letter, city administration, councillors?

Obviously there are no more negotiations, so if it is not public information, could it be a legal thing?

Is it true that the developer is working on a 300 million dollar project now. Financial troubles?

Is this project dead or is ego in the way?

There are more questions I want to ask, but I think this enough for now. I don't want, nor do I expect the answers tonight. I would hope to get HONEST answers by the next council meeting. I don't want any calls to explain the situation privately. I would prefer it be public. I would be glad to take calls to be asked a question or clarify a point.

We are somewhere in the middle (time wise) of our Riverfront Plan. When it was discussed, it total project was said to be a 10 year, 60 Million Dollar project. Our preferred developer stated that he was prepared to spend 50 million on this project alone. Are we going to wait til the ninth year and get it done, or are going make deals in a back room and throw up every obstacle to be sure it doesn't get done? It's time to get property back or on the tax role. 50 million would have been a pretty good start.

Maybe we should also think about working with the local business's you have and not go into competition with them. Our business's not only support your pay, but support the many well deserving organizations in this town.

Memo

To: Art Sciorra
Cc: Department Heads
From: Phil Cosmo
Date: 3/18/09
Re: 2008 Year-End Report

Attached, please find the unaudited 2008 year-end reports for the Trust and Agency, Insurance, Library/Remington, Sewer, Water, Community Development Fund, Capital Fund, and General Funds.

The Trust and Agency Fund is mainly set up to hold funds due to other agencies. As you can see the majority of this balance is made up of the deferred compensation account of \$1,739,908.32. We currently have 61 employees participating in the deferred compensation plan. As an indication of the current economic situation, the 61 members of the deferred comp plan have lost \$229,074.35 since the beginning of 2008. The remaining balances in this fund are monies that we will be sending to other entities over the next few months.

The Insurance Fund, which is used to fund our various insurance programs such as liability, property, public officials, and unemployment, has a balance of \$206,100.99. Of this balance \$51,257.20 is for unemployment insurance, leaving \$154,843.79 in connection with our other insurance needs. This is a \$39,091.74 increase from 2007. We had a very good year in 2008, in that we spent only \$1,213.16 in claims. I think this speaks well for our current program of not settling claims, just to avoid a lawsuit. The bulk of our other expenditures in 2008 were for excess insurance, \$161,609.44. Overall we have very few major claims filed against us. We currently budget \$75,000.00 each in the General, Water, and Sewer Funds, increasing to \$80,000.00 in 2009, to cover our insurance needs. One large claim we still have is the Bracy case which could possibly have a large payout. I'm not sure what our ultimate exposure will be but we do have a \$100,000.00 self-retention deductible in our policy.

The Library/Remington Fund, again, saw a decrease in their fund balance. This was mainly due to the Library. They ended up using the remaining balance they had of fund balance, which was \$1,959.94. The Remington Museum has a fund balance of \$379.52, which is virtually the same as 2007.

The Sewer Fund shows an overall fund balance of \$118,549.41. Excluding the encumbered balance of \$51,249.35, which has been set aside for the balance of the bar screen replacement, we have a fund balance of \$67,300.06. This figure includes some receivables, from the cheese plant, that may or may not be realized. We currently have \$185,865.46 in Industrial Revenue recorded from the cheese plant for 2008. While this amount is listed as revenue we have not actually received the cash. Miscellaneous Revenue was \$53,000.00 in penalties from fines imposed on the cheeses plant. Again, we have not physically received those funds. If both of these revenues end up being written off we will be a deficit position in the Sewer Fund. I'm hopeful that with the current negotiations with a possible buyer these funds will be collected. If they are not we will have some serious belt tightening to do.

The Water Fund shows an increase in fund balance to \$630,971.98. Here revenues were over budget and appropriations were under budget helping to increase our fund balance. As in the Sewer Fund we are currently carrying accounts receivable for the cheese plant here. It is approximately \$110,000.00 in the Water Fund.

The Community Development Fund is where we track all of our grant funds from both the Federal and State Government. This includes such grants as the DANC funds, CDBG Grants, Growth Fund activity, ect... As of the end of 2008 we have a fund balance of \$2,032,333.49. Most of which is committed to programs we have been involved with for many years.

The Capital Fund is where we report all the funds borrowed and otherwise committed for various Capital Projects. While there were twelve active Capital Projects on the books during fiscal year 2008, three of the Projects: Brownfield Remediation, River Shoreline Improvements (Community Center) and Montgomery-Clicker Redevelopment, accounted for the majority of the Funds' Revenues of \$2,655,155 and Expenditures of \$1,873,279. Since Capital Projects typically span over several fiscal years, the impact on the Capital Funds' Fund Balance is very dissimilar when reporting the activity for a single fiscal year. In year 2008 the Fund Balance is showing a positive balance of \$741,785, whereas the year 2007 there was a deficit of \$40,090.

In the General Fund the overall fund balance decreased by \$904,229.47 from \$4,360,671.11 to \$3,456,441.64. While I don't think anyone should be surprised by the decrease, I can imagine the amount of the decrease would surprise them. There were several factors that contributed to the overall reduction in General Fund fund balance.

Some of the fund wide items that contributed were: the cost of gasoline, the cost of health insurance, and utility cost. These items were up across the board in all departments that have them budgeted. Also, in 2008 we had to write off over \$437,000.00 of old tax receivables that were deemed uncollectible from prior years, the major property being the one owned by the previous local cheese plant operators.

On the revenue side some of the factors influencing the increase were:

1. Sales Tax, A1110, was up \$56,600.00 from budget. While this was up it has not grown as fast as in past years.
2. Code Enforcement, A1560. This is up \$10,600.00.
3. Airport Security A2260. This was down \$57,900.00 due to the fact the airport lost their commuter airline for several months in 2008. A new carrier began service in the later part of the year. There is a corresponding decrease in Police Department overtime related to this service.
4. Interest Earnings, A2401. This is up \$27,000.00. While this was up, compared to budget, we saw a marked decrease in interest rates this year and this lead to a lower than usual revenue.
5. Sale of Equipment A2665. This is where we record funds received from the auction of surplus city equipment. In 2008 we held an auction for the first time in a few years, and we also sold a surplus bridge for \$17,000.00 of this total.
6. State Aid, A3001. This account is up \$220,700.00. This was due to an increase in State Aid that was passed by the legislature last year.
7. State Aid Court Facilities, A3021. This shows an increase of \$35,700.00. This is where we record funds given to us by the NY State Unified Court System. Normally the amount is a percentage of the total cost of running City Hall. Because the court has been undergoing some rather large renovations the State pays us back for those cost. Therefore this account is offset by the Appropriation code A1620.330, which shows an over expenditure of \$34,796.85.

8. Consolidated Highway Aid (CHIPS) A3501. This was up \$43,800.00 due to an increase in our allocation from NY State.
9. Economic Development Zone A3787. This down \$14,300.00 as a result of a cutback by the State in funding Economic Development Zones.
10. Fire Act Grant A4091. This shows no revenue against a \$261,000.00 budget. Obviously we did not receive the grant in 2008, which was for a fire truck.
11. Cops in School A4092. This was \$58,900.00 over budget. When we put the 2008 budget together we were not sure the school would fund the position after the Federal Funds ended. Therefore we only budgeted for the first quarter of 2008. The school decided to fund it for the remaining three quarters of 2008.

On the Appropriation side of things, as was true on the revenue side; there were several factors that impacted our year.

1. Health Insurance. This is an annual concern. Actual expenditures for healthcare were up in all funds for 2008. City wide we budgeted \$1,760,000.00 and expended \$1,987,672.00 for an average of \$227,672.00. In the General Fund we saw an average of \$164,000.00.
2. Retirement bill. This is an area that we actually were under spent for 2008. Originally we had budgeted \$775,000.00 overall, with \$565,446.00 accounted for in the General Fund. The actual bill was \$702,952.00 with the General Fund being under budget by \$52,687.00.
3. Gasoline Expense. 2008 was not a good year for gasoline/diesel expenditures. We budgeted \$132,600.00 city wide. We spent a total of \$226,140.94 overall. Included in this figure is the cost of providing the rescue squad with their fuel. I calculated that to be \$16,554.94 in 2008.
4. Heat, Light, and Power continues to be a concern. Looking at the various budgeted line items most were over budget for the year. We were \$22,100.00 over budget.
5. City Attorney, A1420. This area is over due to the expense incurred with legal bills in defending a case brought by some retired firefighters. This case centers on their request to be reimbursed for Medicare Part B premiums. This case should be winding down. As you can see we spent a considerable amount on this issue in 2008.
6. City Hall Building, A1620. The majority of the overage here is due to the unbudgeted renovations in City Court. The NY State Unified Court System covered these expenses. This is related to the comment number 7 above under the Revenue Code A3021.
7. Contingency Account A1990. This is mainly used to pay for anticipated salary adjustments during the year. You may see that some of the salary lines in individual budgets were slightly over. While these funds were not transferred during the year the account was used for this purpose.
8. Police Department, A3120. The Police Department shows a positive balance of \$126,897.50. Most of this was achieved by savings in salary and overtime. In 2008 we were four officer's down due to the transition of four of our officers to the Court System, and some other retirements.
9. Fire Dept. A3410. While the department shows a positive balance, \$27,584.23, it is only due to the fact that we did not purchase the fire truck that was budgeted. The salary line and overtime show major overages. This is due to a few factors. The 2008 budget was put together shortly before the new 2008 union contract was settled. Therefore the original salaries listed were without any increases. Also the City increased the COLA we negotiated into the new contract to compensate for taking over the Building Codes Department.

10. In looking at the various departments that comprise the Department of Public Works it would appear that they are well over budget, especially in the salary areas. In looking at the areas of responsibility of the department you must include the Water and Sewer Funds. If you total all salaries for these areas you will see that combined they are under budget by approximately \$20,572.00. Street Maintenance shows an overage of \$100,783.83, Snow Removal was over \$66,865.31. We knew we would be over but the amount was a bit more than expected. As I stated above overall salaries are not over for those areas under the responsibility of the DPW Director.
11. Recreation Department. The Recreation Department saw an over expenditure of around \$67,660.97. This was made up of a combination of retirement payout to the previous director, equipment repairs that were unforeseen, and other salary issues in 2008.
12. Planning, Code Enforcement, Rehab, and EDZ. These areas were also under budget in total for the year. Most of the funding that pays for these departments comes from grants or repayments on loans. Therefore by being under spent we will be able to spread our funds out longer for these areas.

In summary, the General Fund took a pretty good hit in 2008. When you subtract the various reserve accounts such as: Encumbrances \$92,758.05, Asset Forfeiture \$5,138.41, LWRP \$61,031.07, Marina Reserve \$85,330.92, Capital Reserve \$279,579.00 Tax Reserve \$730,928.77, and the 2009 fund balance appropriation of \$158,095.00, it leaves an unrestricted balance of \$2,045,580.42. At the beginning of 2008 the unappropriated balance was \$2,771,037.18

As I stated above we wrote off over \$437,000.00 in uncollectible taxes in 2008. While this was a large number we still have certain questionable receivables to deal with.

As we all know, we owe the school and county for prior year's taxes. This has been a subject that has received a lot of press as of late. The problem is multifaceted. While we have written off a large dollar amount of uncollectible taxes we are still legally obligated to pay the school and county their share of the write offs. This puts a great strain on our reserves. In addition we have a few rather large taxpayers that are currently not paying us. This adds to our cash flow problem, and restricts our ability to pay those two entities. In addition there seems to be some train of thought that properties the city has taken over for unpaid taxes may have to be returned to the tax roll and taxes paid to the county and school after some exemption period. This could be a very costly requirement.

Another major unknown is, and has been, health insurance. We were over budget in 2008, to the tune of \$227,872.00. This was a rather large overage for the year. If this continues we will have to come up with other ways to slow the increase of health insurance.

It would not be a year end memo without interjecting my concern about our cash position. I cannot stress enough that without adequate reserves we will have problems in the future.

Let me know what questions you may have.