

Mayor Stratton thanked the Council for this tribute and stated that it has been a pleasure to serve with all of you.

Mr. McCarthy then called upon Mr. Zaine Osman of the AAFA for a presentation to Mayor Stratton for his service to the African American Community. Mayor Stratton thanked Mr. Osman and the AAFA for this honor.

MAYORS STATE OF THE CITY ADDRESS –

Mr. President, Members of the City Council, Reverend Clergy, and fellow citizens of Schenectady. I am pleased to present the State of the City address for 2011 - in this my final year and final days as Mayor. This evening, please allow me to not only lay out for you my assessment of the condition of our great city and the challenges before us, but also to quantify the accomplishments which we - working together - have achieved for Schenectady. For while we do face considerable challenges in these increasingly more uncertain fiscal times, what we have accomplished over the last seven years will make our city better able to adapt and to respond to the challenges ahead. And there are formidable challenges on so many levels. In Washington, we are seeing the misguided intent of one political party in control of Congress with major and immediate reductions proposed for our Community Development Block Grant (CDBG) Program funding. In Albany, we see the dire, but prudent warnings of our new Governor with continued reductions in state aid, calls for consolidation of local governments, and a property tax cap. And, of course, we face the continuing day-in, day-out challenges inherent to our city. With a proposed 62 percent reduction in CDBG spending, Schenectady's annual federal revenue sharing could be cut by \$1.7 million in this current fiscal year. Such a reduction would greatly impact our ability to fund two neighborhood pools, ensure adequate Police staffing at a time when our public safety needs are highest, supplement our paving program to rebuild neighborhood streets and sidewalks, and fund needed programs for social services. If the proposed cuts stand, it could also be followed by a further reduction of 7.5 percent in CDBG spending next year, as proposed by President Obama. The combined effect of these cuts would effectively end the CDBG program as we have known it. At the state level, for the third consecutive year, our share of state aid is being frozen or reduced --- by at least two percent again this year -falling from \$11.7 million in 2009 to an expected \$11.2 million for FY 2011-12 under the Governor's proposed budget. At the same time, our contributions to the State's Pension System continue to rise According to a recent report by the Empire Center for New York State Policy, "New York's Exploding Pension Costs," local contributions to the state retirement system will more than double again over the next five years. That means by 2015, Schenectady's employee retirement contribution could rise from \$5.6 million annually to a total of more than \$10 million per year, or 15 percent of our current general fund operating budget. While we have been making significant strides in reforming the professionalism, conduct and credibility of our Police Department, with the removal or disposition of nine Police Officers over the past year, staffing remains below where it should be for this city's immediate and future needs. The current 2011 funded 12 fewer police officers than in 2010. In addition, the ongoing disciplinary process and new retirements unrelated to that have left us short on our budgeted strength, with

approximately 145 police officers now on the payroll. It is essential that we strive to increase staffing within budget limits, and to do more to secure non-city revenues to support that. Our capital needs continue, but our ability to sustain the cost and commitment of long-term borrowing is also challenged. But, even unprecedented fiscal challenges do not stop nor take away the need to prudently invest in our infrastructure, our parks, and public safety. New York State is at a fiscal crossroads. Governor Cuomo knows that in order for this state to survive and once again thrive economically, we must make significant changes in our state and in our local government. The Governor has proposed a tough, yet necessary budget -with reductions in spending and a proposed two percent cap on property taxes. These added budgetary pressures will require that our economic survival is achieved through new, more creative means. I am confident the City of Schenectady will also be sustained in meeting those challenges because of what - together - we have accomplished in the last seven years to build our economic strength. Our city's credit rating is so much stronger today than it was seven years ago, rising from the single lowest in New York State in April of 2004, well into an investment grade ratings holding today, including a sustained A- rating from Standard & Poor's. We have taken significant steps to reduce the cost of local government on our taxpayers through consolidation and the sharing of services. By contracting with the County for vehicle servicing, working with the School District on fueling and snow plowing, sharing with the County the cost of improvements for our city parks and a summer jobs program for our young people, are some of the ways we are reducing costs and serving our taxpayers more effectively. Our business base in downtown Schenectady is markedly stronger than it was seven years ago. Since 2004, more than \$300 million in new private investment has transformed our core downtown business sector, adding hundreds of new jobs. The unprecedented growth of our new retail, office and dining and entertainment establishments are making Schenectady a vibrant and attractive destination for the Capital Region. In January, President Obama traveled to Schenectady to herald the heritage, history and new growth of General Electric. He used our city as a Presidential Platform to issue a clarion call to the nation to seize America's next Sputnik Moment in technology and innovation by doing the things we are doing right here in Schenectady - essentially coming here to show America how it's done. With more than \$150 million in new investment by GE-Schenectady alone in the last seven years, including 650 new engineering jobs in Renewable Energy, plus at least 350 new manufacturing jobs on the way this year for GE's new \$100 million Hybrid Battery Plant, the President of the United State's showed the world what great work and opportunity exists right here. Our work to forge a greener, healthier environment is also extending into our neighborhoods, through Schenectady's Green Homes Project. More than \$4 million has been used to construct 12 ultra energy-efficient homes for income-qualified first time homebuyers. These green homes are not only helping to reduce energy consumption and clean the air, but are helping to stabilize our more challenged neighborhoods. Our new \$23 million centralized Bureau of Service facility on Foster Avenue opened this year, providing the opportunity for centralizing operations of street maintenance, refuse collection and repair under one roof in a modern, safe and energy efficient complex. Consolidation must continue to be an even more prominent part of the future of this city. We are moving forward with the enactment of the recommendations laid out earlier this year in our Police Services Consolidation Study completed by Columbia University and

funded through a \$50,000 Government Efficiency Grant from the New York State Department of State. As we learned when Dr. William Eimicke presented the results of that study in this chamber, there are immediate financial and operational benefits to be gained by sharing Record Storage, Communications & Dispatch, and Training services among our six local policing agencies in Schenectady County. By doing so, Schenectady and our neighboring towns could each save between \$280,000 and \$560,000 per year, every year. Commissioner Bennett and Chief Chaires have begun the process of meeting with the chiefs and administrators of our local police agencies to develop a consensus on which services make the most economic and management sense for collaboration. From that point, we can collectively apply for an Implementation Grant of up to \$1 million from the Department of State to construct a central facility for sharing these services. We should not rule out, however, the potential and economic benefit of a full-scale consolidation. Merging the county's police agencies into a single department could save Schenectady taxpayers between \$2.2 and \$6.5 million annually in our Police Budget. Paring Police spending by \$6.5 million per year could mean as much as a 20 percent tax cut for Schenectady taxpayers. Although I will leave this office effective April 3rd, it will not be easy to detach myself of the strong connection I have for our City. Indeed, I have definite opinions of what this Council and the Administration that follows mine should do to continue to move Schenectady forward.

I believe our priorities should include the following:

- 1) We must continue to fight to protect CDBG from the draconian cuts that are proposed in Washington. That will mean working with Senators Schumer and Gillibrand, and with Congressman Tonko. Moreover, it should include our continued partnership with the U.S. Conference of Mayors as the national voice for protecting the interests of cities. I urge our Council President and Council Members to continue Schenectady's association with USCM, an organization which has proved invaluable in advocating and protecting our needs.
- 2) We must continue to explore and undertake the consolidation of services at every level. That means continuing with the enactment of sharing specific police services, and looking to the future to explore full consolidation of Police, and consider the options and benefits of consolidating our Fire Departments as well.
- 3) We have excelled as a City greatly because of the excellent staff who work day in and day out for us. As Mayor, I have placed a priority on hiring and retaining the very best individuals possible, and that commitment should be continued.
- 4) We should and must continue to exercise discipline and an insistence upon professionalism and excellence in our Police Department under the effective administration of a Public Safety Commissioner and Police Chief; who have done so much to change the face and image of this Department.
- 5) And we should continue to work cooperatively with our Partners at the County, State, and Federal level --- and in the private sector. Ultimately, I believe this County should follow the strong example set forth by the City of Louisville, Kentucky and vigorously explore the options for a complete county-wide consolidation of the city with all local governments into a single governing and taxing entity.

In conclusion, let me just say that I have truly been blessed to serve as Mayor - in the city of my birth, the city that I love. And I thank the voters of this City for twice giving me that opportunity. Together, we have done great things. We have moved this city to a

better, far stronger, and more desirable place than where it was in 2004. But by no means are we done. The challenges continue, the cause goes on, and the future for the City of Schenectady shines ever brightly.

With all my heart --- I want to thank you.

May God bless you, and may God always bless the City of Schenectady.

PUBLIC HEARING:

1. To Amend and Revise the 2010 Budget Ordinance to Create a Part-time Code Enforcement Officer Position, and to Authorize Funding for a Motor Equipment Operator Position.

Mr. McCarthy invited all who wished to speak on Public Hearing #1 to come forward (7:55 P.M.) The following speakers signed up.

Vince Riggi, 2134 Campbell Avenue, Schenectady, NY - I believe Mr. Erikson had some good points about hiring anyone at this time, when there is not any money for them. Also, looking at the Communications for tonight's meeting and it looks like heavy equipment operators have already been hired, if that is the case why are we having a Public Hearing? If my memory serves me, I think we transfer someone into the body shop that was a heavy equipment operator; again we get back to that body shop deal, if that person was not transfer into the body shop, and would we need another operator? I am very concerned about hiring anybody right now, the Mayor just laid off people, with the fiscal problems ahead we need to cut not hire. Please look at this very carefully.

Jason Planck, City of Schenectady - If you look back into October you transferred from the CDBG monies over \$300,000.00 into the SNAP fund, without any Public Hearing, the Block Grant pays for nearly 40 positions and if the Congress is cutting the funds most of these people will be laid off in the next three weeks. How can you begin to hire anyone?

P.D. Voorhis, City of Schenectady - I too question the hiring of two people, I don't recall hearing much about the second one. I agree with Mr. Riggi and Jason.

Seeing no further speakers, Mr. McCarthy declared Public Hearing #1 closed (8:05 P.M.).

APPROVAL OF MINUTES:

Ms. King moved that the minutes of the City Council meeting of February 28th, 2011 be approved as submitted by the Deputy City Clerk. It was seconded by Mr. Erikson. Hearing no objections, Mr. McCarthy declared the minutes approved as submitted.

COMMUNICATIONS:

Official:

From the Mayor a list of appointment (dist. 3/14/2011)

General:

A letter from Daria Kostek a City Resident and employee of Verizon, I am in support of FiOS TV, choice and competition in Schenectady. Please support Verizon cable franchise agreement and vote tonight.

Petitions:

None

COMMITTEE REPORTS:

Ms. King - the City Development and Planning Committee met and proposed legislation to oppose the cuts to the Community Development Block Grant Funding. These cut would be devastating to the City. Also, we authorized legislation to transfer the premises at 843 Emmett Street to Northeast Parent and Child Society for redevelopment. This is an abandoned house and it is going to be converted to a single family home and this is going to be done by students in the Youth Grant Program. This is going to improve the property and give some kids some good job training. We also have a presentation on the Woodlawn Preserve from Don Rittner with some ideas for improvement.

Ms. Brucker - I just want to comment further on this CDBG matter. We have set a date with some neighborhood groups which is Saturday, March 26th at 1:00 pm at the State Street Presbyterian Church. I am asking for everyone involved and the community that CDBG directly effects which is the 12305, 12307 neighborhoods. We will be doing a letter writing campaign to Senators Schumer and Gellibrand and Congressman Tonko. I would like to get as many out as possible we need as many people as we can possibly get, because these devastating cuts will certainly effect those people in those neighborhoods the most. Please pass the work around.

Mr. Allen - We have had numerous meetings of the Park and Recreation Committee and we have a number of recommendations from Brian Damon. At the end of last season we dropped a dollar off and we need to restore that, because there are some things that have to be done. Brian is recommending repairs and it will be discussed at the next Committee Meeting.

PRIVILEGE OF THE FLOOR (LEGISLATIVE ITEMS):

Mr. McCarthy invited all who wished to address the City Council on any item of the Legislative Agenda to come forward. The following speakers rose to be heard and their remarks are summarized.

Jason Planck - Schenectady, N Y - This is a proposal from the President for 2012, it starts off with improve the way the money is spent, reduce spending for CDBG funding by 7 1/2%, refuse funding for new housing construction for seniors and persons with disabilities. I just heard a strategic, about the Schenectady School System, 78% of our students are on the free lunch program and I just hope that SICM will be able to handle the free lunch program this summer. Also, the food stamps program, starting April 1st will be reduced by \$16.00. All the stimulus money is staring to go away. Over the next year we are going to see some tough times.

P.D. Voorhis - Schenectady, NY - In regard to #2, Northeast Parent & Child have been in code violation for over a year. They do not have numbers on their building. The Time Warner situation, I only have one channel and you tell me they have three. I just do not understand where all this is going.

Marion Porterfield - 842 Strong St., Schenectady, N Y - I am coordinator of Weed & Seed and a resident of the Hamilton Hill Community and I am here tonight to support the Resolution Opposing Cuts in the Community Development Block Grant Funding. My collogue Vicki Hurewitz, is not here tonight because she is not well, and we both support this Resolution. We will be working with Councilmember Brucker to bring people out to have a better understanding on how these cuts will effect on the basic way of life and some of the things that are taken for granted. We pledge our support and will help people get out for this campaign on March 26th, at 1:00 pm. Thank you.

Seeing no other speakers to come before the City Council, Mr. McCarthy declared the Privilege of the Floor (Legislative Agenda) closed - 8:20 P.M.

INTRODUCTION OF AND ACTION UPON LOCAL LAWS, ORDINANCE & RESOLUTION:

Consent Agenda –

Resolution No. 2011-45	Adopted unanimously
Resolution No. 2011-46	Adopted Unanimously
Resolution No. 2011-47	Adopted Unanimously
Resolution No. 2011-48	Adopted Unanimously
Resolution No. 2011-49	Adopted Unanimously
Resolution No. 2011-50	Adopted Unanimously

PRIVILEGE OF THE FLOOR: City Business

Mr. McCarthy invited all who wished to address the City Council on any matter of city business to come forward. The following speakers rose to be heard and their remarks are summarized:

Donald J. Birch, Jr. - 236 Park Place, Schenectady, NY - I am here to speak to the people about valid complaints with the police department that is very corrupt. I just want people to know that I am not mentally ill; this is just an attack on my character. How can anyone say I don't have factual evidence when I am holding it up in my hand? The police department should be held accountable.

Barbara Katz - Downtown Schenectady - Downtown Schenectady is a mess; the people from the "Y" have no consideration for anyone. There is people smoking at the bus stop and they put their cigarettes butts all over the place. They should be made to clear up this mess.

Vince Riggi - 2134 Campbell Avenue, Schenectady, NY - I listened with great interest to the Mayor's State of the City address. He spelled it all out and I thank him for being that frank, obviously we are in trouble with the pension fund, which we all know why the wheels are coming off, our committee to the pensions, it is kind of sad. The thing that struck me was the Mayor's five point program, but I think the thing that was left off was our neighborhoods. We need a plan for stabilizing the neighborhood, making the neighborhoods safer and making the neighborhoods a place where people want to live. We have talked about this over and over again and it is one thing that has not happened. To put any kind of plan in place would be something and the neighborhood is really suffering. I agree with the Mayor on the accomplishments that were made, I agree whole heartedly. I said it before and I will say it again, the Mayor's biggest accomplishment, in my mind is the changes in the police department, he brought in Commissioner Bennett, and all the time I have been coming down here, that's eighteen years, that was the biggest change in the department. I thank the Mayor for that. There is supposed to be some change in the Residency Board, and the hiring of the best is a great idea, but I am sure the City of Schenectady has some people that are as competent to do the job. Also, on this communications, I would like to see the City of Schenectady in the address, not just 12303 or 12306, because they are not always in the City. Do you people sign that you live in the City and if you don't isn't that fraud? Your job is certainly cut out for you Gary, and thank you again for the job you did in the Police Department.

Jason Planck -Schenectady, NY - I would like to talk a little about the budget. With the oil and the gasoline prices going up over a dollar from last year, so the 2011 budget that the Mayor put out that is going to be used up pretty quick. We have had over 85" of snow this season, how much of the snow removal budget is left? How are we going to come up with money of all cost overruns in the Community Block Grant? We delayed paying the County one and half million dollars for property taxes, we are going to have to pay that back. We are looking at an 8% to 14% property tax increase before we even start with the budget. You all have a big job ahead of you. Good luck to the Mayor on his new job. Thanks very much.

Harry Brand - Van Rensselaer Dr., - I try to make every City Council Meeting. I was please with the report from the Mayor; I thought it was very good. I have to agree with Vince. I have lived in the City all my life, except for my military time, I'm really very concerned about the operations here and how it is being handled by our Council and by our Mayor and our future Mayor. I just hope and pray that you people have not given so much authority to others that you don't need to get involved yourself. I think all of you need to get involved with the police department, fire department and the garage over there on Foster Avenue and not just take the advice of other people. There are so many things you need to get involved with and I hope you do.

Gerald Plante - 227 Front Street Schenectady, NY - I didn't realize this was the last meeting for the Mayor so thank you for all your service and good luck on your next endeavor.

Joy Hall - City of Schenectady, NY - The one thing we can do is fix up the worst streets first, I think that would help out in the long run. There are a lot of pot holes everywhere. I will say one thing Brian; everybody is going to miss you around here. I will too.

Seeing no other speakers to come before the City Council, Mr. McCarthy declared the Privilege of the Floor (City Business) closed at 8:45 pm.

MISCELLANEOUS:

Mr. Erikson - Just a couple of things I wanted to mention, one of them is the Verizon Contract, which we talked about tonight, it is something that offers a choice to the residents so in that regard I think it is a good thing to offer. I am a little concerned that if 50% of the people were to transfer from Time Warner to Verizon we would actually get \$25,000 less in revenue for public access. More importantly it is getting access to cable television. Also, on my list, as you heard everyone will miss you, I heard it myself tonight. One thing I do commend you on is the Consolidation of Government services, if you have any notes on this subject, I would appreciate going over them.

Mr. Allen - I have some good news in regard to those bill boards in this community, the big bill board that was up on Albany Street and Brandywine Avenue is down and I was glad to see it leave. We still have some billboards at the bus stops. I have had a lot of discussion about why and wherefore and nobody seems to know or nobody is saying anything, except the State Education Department and they have the money to do these things. Still don't know why they were there, there is no ligament reason these bill boards only have black people represented.

Mayor Stratton - Thank you very much for your wonderful, wonderful recognition tonight, I am touched and honored, although this is being portrayed

as my last day, it is not, it is my last Council meeting. I will officially be the Mayor until April 3rd, and then it is up to you after that, thank you so much. I just want to comment briefly on the dialogue tonight on the potential 62% cut in the CDBG funds, that is an effort lead by the Republican Conference in the House, the President has proposed for next year, for 2012 a 71/2% cut. The Republican Controlled House wants to cut for the current year the existing allocation this year by 62%, so the President and the House are not on the same page. I want to see that underscored; we don't want to see any cuts. I want to stress that our City is 80% allegeable for CDBG Funding. With that, I plan to be at the Committee Meetings next week, thank you very much.

President McCarthy - Just for the Council, we will put on the fee scale for the golf course and also, put on the Capitol Budget. We are going to have to look real hard to see if we can get something into the paving budget. Just for general information, the 800 Block of Union Street which is in very poor shape, again that was set to be done last year, but because of the weather and some of the replacement of the underground laterals, was not done and we are now waiting for the batch plants to open up so that we can have some macadam, that will be the first street that will be paved, we are just waiting for the weather. We want to thank you Brian for your service to the City, it is an impressive record, what is even more impressive is taking over the Canal Corporation, and this passed weekend we had extremely cold weather. We had an ice jam in the river that was over 8 miles long and somehow you were able to move that down the canal and we didn't have any flooding in the Stockade, so you owe you a debt of gratitude, and you are already building an impressive record at the Canal Corporation. I do thank you on behalf of the Citizens and wish you well. By the way have a happy St. Patrick's Day.

ADJOURNMENT:

Seeing no further business to come before the City Council Mr. McCarthy declared the meeting adjourned at 8:58 P.M.

A TRUE RECORD

**BY EILEEN VERSICI
CITY CLERK**