

CITY OF COHOES

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State of the City Address

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Common Council Chambers

Good evening members of the Common Council, fellow elected as well as appointed officials, union officials, members of the City workforce and most importantly residents and friends of the City of Cohoes. It is an honor and privilege to present for the 12th time the State of the City address. It is my charge and responsibility this evening to outline the successes and challenges of 2010 and what lies ahead for 2011.

From a legislative capacity, 2010 was yet another busy year for the Common Council. Outside of the typical administrative and grant based pieces of legislation that are required to be addressed annually, there were several items that the Common Council, working with the administration, took on as projects for updating that required much time, thought and energy. Adjusting our Solicitors Permit process, updating the City Employee Travel Policy and creating our newest responsibility of managing the dog licensing process, were just a few of the items passed by the legislative body and adopted into law.

Arguably the most intensive effort was the revisiting of the Ethics Chapter of the City Code which had not been looked at since the 1970's. After several meetings with the Ethics Review Committee, chaired by Council Member Dianne Rigney-Nolin, a new Ethics Code was adopted unanimously by the Common Council that mirrors the recommended model provided by the State Comptroller. Central to the new Ethics Code was the creation of the Ethics Board, which is a bi-partisan oversight board to review complaints and to provide guidance. As stated time and time again, the Ethics Code update was necessary not because of anything done wrong but to educate elected and appointed officials looking for proper guidance. It is also of great pride to mention that through a public call for nominations, we have received over 13 resumes of individuals who are willing to give their time to serve on this board. A review of the resumes reaffirms what many of us have always known about this community – we have quality people willing to stand up and serve. At this time the Common Council is reviewing all candidates as they will prepare to make nominations in the coming months.



Administratively, the business of the city continued on in spite of ever dwindling resources. We will be posting each Department's Annual Report on our City Web site under their respective web pages, which will provide more detail to those interested. In the meantime, it is important to highlight a few items of interest. As mentioned in the past, actions taken by this legislative body to create the Vacant Building Registry (VBR) as well as stronger tools for Traffic Ticket Enforcement continue to make a difference in quality of life in our community. We are currently monitoring close to 100 buildings that have the potential to qualify under the VBR, with 33 buildings eligible at this time. In addition to the revenue we have generated to date from the VBR registry (>\$6,000), it is of value to mention that we are witnessing progress in property owners taking a vested interest in their property. This will help meet the goal of the VBR which is avoidance of tomorrow's demolition. Traffic Ticket Enforcement is up significantly, due in part to The Boot, with \$35,000 in revenue in 2010, almost a five-fold increase from inception of the program in 2008. More importantly, vehicles are being moved off the streets helping to improve quality of life throughout our community. Finally, although widely publicized and nationally recognized, the City of Cohoes put on a full court press on the 2010 Census. The Census, critical in determining many funding programs most especially sales tax revenue, was a labor of love for the past five years. At the end of the day, no matter what the results, I do believe we as a community did everything we could to ensure an accurate count. We will know more in the coming weeks and will work with the results when they are finalized.

From a Police, Fire and Communications perspective, we witnessed a reduction in call volume this past year in some capacities, and that is not a bad thing. Our continued decline of calls for service amounted in a reduction of 15 percent of total calls in 2010 as compared to five years ago. Still, these three departments handle over 18,700 calls, which is significant to a community of this size and the efforts of our public safety team is sincerely appreciated. The Fire Department has been involved in a Cooperation and/or Consolidation study with the City of Watervliet, of which the results of that study will be presented to the public before the end of June of this year. Always a sensitive topic, the concerns of residents and members of the Fire Department need to be heard while at the same time taking a reality-based look at how we, as a community, continue to afford this service as it stands today. The same holds true for the Communications Department. Through the Albany County Communications study, we are evaluating opportunities to share or consolidate services county-wide to reduce costs to taxpayers, but also provide the same quality of service that residents expect.

I also need to make mention of the Department of Public Works. As you know this department has seen the largest impact in regard to reduced staffing during these difficult financial times. Additionally, Mother Nature has not been our friend this year and it goes without saying that this department, much like others, has responded by doing yeoman's work during what may go down as one of the worst winters in the past two decades. Although smaller in numbers, the members are working well considering the elements and challenges we have dealt with. It is my hope that the worst of the winter is behind us, but I am also wise enough not to wish for things that are outside our control.

From a Community Development perspective, 2010 proved to be a very busy year once again in spite of the Great Recession. Bridge Avenue Bridge is now open for travel and, for all intensive purposes, is complete. We were extremely fortunate to have this project funded as an American Recovery and Reinvestment Act (ARRA) project which allowed for the avoidance of over \$500,000 in construction costs. Bridge Avenue Bridge is now a shining, led-light, entranceway for those coming to Van Schaick Island from Cohoes Boulevard and is a tremendous gateway improvement to an area where we are still witnessing residential growth. The Vliet Street Water Line Replacement was our second ARRA funded project and is also near completion. This project allowed us to implement sorely needed storm water separation in a critical combined system area. This project has also provided us another mechanism to reduce storm water flows to the Albany County Sewer District which, as I have stated time and time again, is a majority of the cost of our sewer fund.

In the coming year we will be constructing the South and North Delaware Avenue multi-use trail from the Mohawk River at Admirals Walk and extend northerly just short of Peebles Island State Park. The total cost for these trails is less than \$500,000 and are fully funded by grants, in-kind match and private sector investment. After a long delay due to the financial markets, the Watersview Apartment complex will start construction this spring at an area just north of the current Riverwalk Apartments. This \$20 million private investment will consist of 224 luxury apartments that straddle the Mohawk and Hudson River. Additionally, the 406 unit Lexington Hills proposal will continue to wind its way through the planning process with hopes that it will see ground breaking by year end. Captain's Lookout, just north of Admirals Walk, remains an approved project, however final financing is not in place.

On the western edge of the City there are five areas that will finally see the implementation of storm water separation. Mostly along the Columbia and Vliet Street corridor, this storm water separation will have a positive impact on the quality of life for residents in this area, particularly during heavy storm flow events. This will again reduce storm water flows into the combined system, providing additional relief to our Albany County Sewer District bill. We will also be replacing the long overdue water lines at the north end of Van Schaick Island. This project is funded through a grant from the Office of Community Renewal and will address the concern of discolored water. Although reduced in the past few years, discolored water has been an issue that has plagued residents in this area dating back to the early 1990's. This project will provide a long overdue relief to put this concern to rest once and for all.

This past year also provided us the groundbreaking of Harmony Mills Phase II. This \$24 million private investment project is a resounding success and is another step towards our goal of expanding our economic base while at the same time increasing our roof top income that in time will lead to increased business growth. Over the past several years we have welcomed several new businesses, most of which are the heart and soul of Main Streets across America – small business. Those new to the community this past year (Sticky Fingers Apples, The Bike Barn, The Chop Shop, Sawyers Shirts, Pops Pizza, Al-Baraki, Northeast Clippers, Drops of Jupiter, and Inferno) have been welcomed with

open arms and it is hoped that their success continues for years to come. With our successes we have also had failures. Each loss had its own reason, some that we can impact on in the future and some that we cannot. Whereas society today is moving towards an online, non-personalized environment, the businesses that we have in our community provide that one-on-one personal service and social business environment that is sorely lacking in our society at times. I have also noticed that those businesses that survive are those that do not rely on one facet of their business. The focus is not only on what comes through the door but also what other lines of business they can develop that meets their business' mission and at the same time provides sustainability to the business. Although we have made significant improvements in the business district and environment over the past decade, I realize that we need to do more and I am committed to do so. Our goal as a city is to continue to assist with improving visibility and awareness of these businesses and to encourage not only our residents to support our business community but those from surrounding areas as well. Expect to see an enhanced effort this year.

Without a doubt our largest challenge that lies before all of us is the financial affairs of our nation, state, county and city. Suffice it to say, America has lived beyond its means for some time and its impact has transcended from Pennsylvania Avenue to Remsen Street. I would like to think that Cohoes has lived within its means during my tenure as Mayor and we will continue to do so, however it will not be easy. As most in our community know, there was no tax increase in the City budget for 2011. This was achieved with multiple tools including retirement incentives, reduction in non-personnel costs and with the tapping of our retirement reserve and a portion of the undesignated fund balance. Whereas there was some concern about tapping the fund balance in the amount of \$124,000 residents should be aware that, based on unaudited numbers, I will be encouraging the Common Council to return three times that number to the fund balance once our 2010 audit is finalized. I attribute this positive fund balance outcome to our continued philosophy of conservative, long-term budgeting as well as firm management by our City Comptroller Mike Durocher and the work and effort of our department heads and their respective staffs. It is also worthy of noting that once again the City of Cohoes avoided what many other local governments have done which is to borrow or amortize their retirement benefits. This year several local governments are heading down this endless road of borrowing for one year increases over a 10 year period at high interest rates. This is something that the Comptroller and I have been relentless on avoiding as it is in essence mortgaging away the future. Due to the support of the Common Council last year with the establishment of retirement reserves and also due to our continued multiple year budget forecasting, we were able to avoid this unnecessary cost to taxpayers once again.

That being said, the well is getting dry and cuts are continuing at our traditional revenue sources. The fund balance, which started as an \$800,000 deficit in 2000, has slowly built up over time and currently has a balance of over \$1.3 million and growing. For some, the idea of using most if not all of the fund balance to maintain status quo is the mindset, however it would be irresponsible to subscribe to that theory at this time considering that our economy as a nation is so unstable. State Aid, already cut by \$127,000 last year, will

be cut by another \$57,000 this year if the Governor's proposal is approved. This represents a six percent cut in state aid. It is also apparent that a Tax Cap is likely. On the surface, this sounds great for the taxpayer and in concept I support the idea, but there is a practical difficulty that needs to be considered if real mandate relief is not enacted alongside the Tax Cap. In Cohoes' case, a Tax Cap of two percent for example, will allow for a \$130,000 increase in the tax levy for 2012. Retirement and Healthcare expenses alone for 2012, unless changes are made by the state or the employees, will increase by \$650,000 and this is before any consideration of salary increases. In these two areas alone there is a gap of \$420,000 if the Tax Cap is in place. Knowing that we cannot raise taxes any greater than two percent and we can and should use a limited amount of fund balance, it will be challenging to close that gap without additional personnel cuts or service reductions or eliminations.

Add to that the stated financial troubles of New York State and Albany County and the tendency to push mandates down to the lower level of government, it is apparent that we have our work cut out for us as the year progresses. There is no one simple solution and it is going to be incumbent amongst all of us - elected, appointed, employees (union and non-union) as well as residents - that we will need to dig deeper for additional cuts and reconsider the assets we have or the services we provide. To date only one person has been laid off in the past 12 years and we have been fortunate in that regard as we have downsized the city's full-time work force from 164 to 141 full-time employees. As we work our way through the recently announced budget measures, be assured that there will be plenty of outreach to the community and the affected parties to gauge support for those difficult decisions that need to be made and measures that need to be taken.

On March 1, 1999, I announced my intentions to run for the Office of Mayor. At that time, I stressed that finances would be critical to our direction and growth as a community. That message has proven to be true as we have improved our finances by improving accountability and transparency, which has resulted in a stronger and stable financial operation to support our city operations and growth in our community. Unfortunately we are mired in the Great Recession, one of which has approached the magnitude of the Great Depression of the 1930's. It will take time, patience, energy and proper leadership and management to get through this difficult time. Those that know me know that I look at life as the glass if half full, not half empty and although the times are dark now, there are many positives that our community has witnessed over the years to continue our forward progress in spite of the financial challenges all governments face. I look forward to working with the Common Council, department heads, strategic partners and the residents of our community for the years to follow to continue to provide that leadership for the City.

Thank You and God Bless.