

A regular meeting of the City Council of the City of Newburgh was held on Monday, September 20, 2010 at 7:00 P.M. in the Council Chambers, City Hall, 3rd Floor, 83 Broadway, Newburgh, New York 12550.

The Prayer was led by Pastor Stephen Ruelke and the Pledge of Allegiance was led by Councilwoman Bell.

Present: Mayor Valentine, presiding; Councilwoman Angelo, Councilwoman Bell, Councilwoman Bello, Councilman Dillard-5

Councilwoman Angelo moved and Councilwoman Bello seconded that the minutes of the regular meeting of September 7, 2010 be approved.

Ayes-Councilwoman Angelo, Councilwoman Bell, Councilwoman Bello, Councilman Dillard, Mayor Valentine-5

CARRIED

CERTIFICATE OF APPRECIATION

A Certificate of Appreciation was awarded to Pastor Rosey Andrews of Northeast Gateway to Freedom for coordinating and implementing the Children's Lunch Initiative in the City of Newburgh.

Pastor Rosey Andrews accepted the award and spoke briefly about the initiative. She thanked the Mayor and Council for recognizing the ministry.

Denise Ribble presented Pastor Andrews with a painting representative of the people planting orchards after being returned to the earth.



WHEN FEAR AND FAITH COLLIDE

September 20, 2010.
City Appreciation NGTF

What do you do when FEAR AND FAITH COLLIDE? To expect such an undertaking as the rescue of the Children's Summer Lunch program, with no pre-plan and \$3.20 cents in our ministries check book, seemed like a dangerous leap off Cold Spring Cliff into the Hudson - in a spiritual sense.

However, it was just a few days before that our little NGTF team held hands and prayed that God would show us how we could reach out to our cities children. When the telephone call came from Courtney Kain we were all beside ourselves to think it could be an answer. After pondering a few days - Either we heard Jesus say "just do it" or we were about to have egg all over our faces trying to feed 300 children lunch, five days a week. Once we agreed to believe in God's miraculous provision, food came so hilariously, none stop-to answer our specific prayers for fresh fruit, cold-cuts, snacks, little milks, yogurt and even the use of a walk-in cooler in our local florist shop.

It is true that I worked harder and longer hours than ever, mobilizing the food and an army of over 135 volunteers that collaborated from all over the Hudson Valley, within a week. Youth groups from Monroe, Goshen and Poughkeepsie, Churches and Pastors from Beacon, New Paltz, Cornwall, Washingtonville our own City of Newburgh, the unemployed, people that needed community service hours, and the list goes on and on and on of those who put their hands to plow to make this endeavor surprisingly a success. People and food marched into 104 Broadway at a rapid, nonstop speed. It felt as if I was on a surfboard surfing a tidal wave.

Obviously, I didn't accomplish this task alone. Along with those that walked into help continuously, there were several churches that hosted weekly spots and a handful of dedicated saints that faithfully stuck it out with me each and every day, making and delivering lunches as well as washing the floors and the windows. We began feeding 250 children the first day and numbers rose up to 500 & 600 a day by the end of the summer.

I know that many of those who worked hard this summer could not come to be with us tonight, but if there is anyone here tonight that was in anyway involved in the Summer Lunch initiative, would you please stand? On the behalf of Northeast Gateway to Freedom and the collaboration of Churches, I would like to say thank you to OUR MIGHTY MATCHESS LORD AND SAVIOR JESUS CHRIST. A GIANT THANK YOU to Mayor Nick Valentine for recommending our ministry for the job, the City Council for intrusting the Children's Summer Lunch program to the Northeast Gateway to Freedom, YNN, Times Herald Record, Sentinel news and all the financial contributors.

The experience to recue this budget cut was absolutely a life changing one. Everyone that touched this endeavor would agree that it was as if "God Stepped Down from Heaven" to let us all know how particularly interested He is in the children of Newburgh's welfare.

As a result our hearts are strangely warmed to continue with an afterschool Dinner and homework initiative. With the help of God and many hands we will be as successful as we were during the summer. Our hope is to begin by next week with already 103 children who signed up in one day.

We just created a wonderful problem of needing a place to feed and nurture 600 – 1,000 kids five days a week and an opportunity for everyone to give time energy and money to help make it happen. Lastly, after this summer, I believe a large part of the transformation for the City of Newburgh lies within loving and mentoring our children into their purpose and destiny for our community's future to be a success.

With a Grateful Heart,
Pastor Rosey Andrews
Director Northeast Gateway to freedom Inc

HEBREWS 12:1 ¹ Therefore, since we have so great a cloud of witnesses surrounding us, let us also lay aside every encumbrance and the sin which so easily ensnares us, and let us run with endurance the race that is set before us, ² fixing our eyes on Jesus, the author and finisher of faith, who for the joy set before Him endured the cross, despising the shame, and has sat down at the right hand of the throne of God. ³ For consider Jesus who has endured such hostility by sinners against Himself, so that you will not grow weary and lose heart.

EXECUTIVE SESSION

Councilwoman Angelo moved and Councilwoman Bello seconded that the council enter into executive session to discuss matters pertaining to pending litigation with Bluestone Development and property disposition. The council unanimously agreed to enter into executive session at 7:10 PM.

Councilwoman Angelo moved and Councilwoman Bello seconded that the council exit out of executive session. The council unanimously agreed to exit out of executive session at 7:20 P.M.

COMMUNICATIONS

Councilwoman Angelo moved and Councilwoman Bello seconded that the Notices of Claim and the Summons and Verified Complaint be referred to Corporation Counsel with power to act.

Ayes- Councilwoman Angelo, Councilwoman Bell, Councilwoman Bello, Councilman Dillard, Mayor Valentine-5

CARRIED

PROPOSED PUBLIC HEARING

RESOLUTION NO.: 217-2010

OF

SEPTEMBER 20, 2010

A RESOLUTION SCHEDULING A PUBLIC HEARING FOR OCTOBER 25, 2010 TO RECEIVE PUBLIC COMMENT ON THE CITY OF NEWBURGH'S PROPOSED ACTIONS WITH RESPECT TO THE COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM FOR THE CONSOLIDATED PLAN FOR HOUSING AND COMMUNITY DEVELOPMENT FOR FISCAL YEAR 2011

BE IT RESOLVED, by the Council of the City of Newburgh, New York that there is scheduled a public hearing to receive comment on the City of Newburgh's proposed actions with respect to the Community Development Block Grant Program for the Consolidated Plan for Housing and Community Development for FY 2011; and that such public hearing be and hereby is duly set to be held at 7:00 p.m. on the 25th day of October, 2010 in the City Council Chambers, 83 Broadway, City Hall, 3rd Floor, Newburgh, New York.

Councilwoman Angelo moved and Councilwoman Bello seconded that the resolution be adopted.

Ayes- Councilwoman Angelo, Councilwoman Bell, Councilwoman Bello, Councilman Dillard, Mayor Valentine-5

ADOPTED

COMMENTS FROM THE PUBLIC REGARDING THE AGENDA

Denise Ribble, Montgomery Street, read and submitted her comments concerning agenda items No. 9-11. She desired to know why there has not been a public hearing advertised for this subdivision legislation. Also the definitions are unclear. Are there going to be special provisions for the Historic District, Colonial Terraces and the LWRP areas? She feels the entire subdivisions chapter could benefit from further review prior to council approval tonight.

Kippy Boyle, Grand Street, commented she was not at the work session so she is unclear about Resolution #221-2010. Also she is disappointed Ms. Mitchell has left the Comptroller's post. Many citizens felt it was refreshing to witness detailed financial explanations she often provided. Also she is concerned in that anything that deals with money being moved around in the budget must first be approved by New York State.

Maryann Prokosch, Galloway Avenue, remarked that she was present at the work session and thought it was coming from the contingency fund. Is this the contingency fund for the General Fund and the Water Fund? Is this going to add to our deficit?

Mayor Valentine explained the funds are coming from SPECIAL ITEMS Line A1900 in the amount of \$204,573. And for the Water the funds are coming from SPECIAL ITEMS Line F1900 in the amount of \$25,165.

Barbara Smith, Powell Avenue, would like to clarify whether we have a city manager or an acting city manager. How do we have a city manager if there has never been any public discussion to negotiate for one first? She has read several confusing articles in the newspapers. She is unsure whether three council members have chosen to extend Mr. Herbek's contract as acting city manager until the end of next year. Or has the council assigned him to the post of city manager without a contract? The people need to be explained what has been done.

Mike Curry, Grand Street, commented on agenda items #9 and #10. This council body commonly does public hearings on such things. He is unable to make informed comments on this, because there have not been any public hearings first. He sits on the land-use committee and it has been working on things that directly affect this. He urges the council to table it until more information is passed down to the public. Regarding agenda item #11, are you only going to raise the fees involving subdivisions? Or are you going to raise

something else? For #14, are these buyouts specifically coming from water department employees? Some further explanation on #15 would be appreciated. It is troubling to him that we have no Comptroller to help explain agenda item #17. Last, he understands the council has received the recommendations from the search firm; yet, the hiring of a full-time city manager is not on this agenda tonight.

Michael Gabor, Grand Street, remarked he is troubled the citizens of Newburgh have all of these unanswered questions. Why can't we get all of the explanations first? Second, how much money did the City make at the last auction? Why are we going through with this when the Pace University Land-Use Committee has been offering alternative solutions for vacant buildings and land? He asked the council why it is pushing this stuff ahead without first going through the proper process. Third, why don't we have a comptroller? When someone leaves they usually provide a reasonable explanation for it. When there is no explanation, then it because they are hiding something or mismanagement has occurred. Last, who is the manager and why does he not have to live here? Are we going to push this off until he gets \$1 Million from the City?

Marietta Curry, Grand Street, commented the council needs to provide more explanation. There has been a lot of money shuffled around. She recalled when Mr. Herbek entered into the position he mentioned the importance of issuing the audits reports. Where are the audits for 2007, 2008 and 2009? It has been too long. Also we have hired a financial consultant that has been racking up fees close to \$100,000, yet we don't have those audits.

Brenda McPhail, spoke on behalf of Community Voices Heard (CVH). She desired to know the status of the search for the city manager. She read that the Sentinel quoted a member of council saying, "It only takes three of them to vote." She feels strongly that what a person does in the dark comes to the light. One of her goals is to remove the Mayor from his position at election time, because she feels that he has done nothing for the people of the City of Newburgh.

There being no further comments, this portion of the meeting was closed.

Comments regarding “An Ordinance amending various sections of Chapter 266, entitled “Subdivision of Land” within the code of the City of Newburgh.

First, it is not clear why this ordinance and its amendments do not require a public hearing when the ordinance 226, regarding abatement does and why this is coming up at this time. Are some subdivisions being planned? For immediate or future sale? For building development? Does this also apply to City owned, or City affiliate owned property?

In definitions “Subdivision” only refers to immediate or future sale. What about leases or agreements (contracts)? Also does this apply to any subdivision of any size? During discussion these changes are characterized as “minor subdivisions” but the definition states **any** tract of land. Minor subdivision is defined separately, however, the amendments appear to apply to both sub divisions and minor subdivisions. This is not what was represented in the discussion with City Counsel and I believe warrants further review.

Also, of note, under the definition for freshwater wetland, there are several areas below Montgomery Street from South to Broad that do support hydrophytic vegetation as defined. They will need to be declared freshwater wetlands. Does this affect the negative declaration that is being proposed?

Under Section 2, 266.6. “Steps” F – The word “or” appears several times in this paragraph and it is not clear if this allows the Planning Board to be circumvented. Further, such performance bonds or “other financial security acceptable to Corporation Counsel” will be posted with the City Engineer (instead of the City Manager). It is not clear why the City Engineer would be acting as a fiduciary agent – shouldn’t that be the Comptroller?

Under 266-19. “Open Spaces” – I suggest changing the first sentence to read “or other public recreation uses or purposes” . . . on sites containing residential units, “mixed use or commercial units”. What if subdivision is for mixed use or commercial purposes? Do those types of subdivisions carry no requirements for open space or the charging of an in lieu of fee? In the last sentence, I suggest “shall be deposited into a trust fund to be used by the City exclusively for park, playground or “other public recreational uses or purposes”, including the acquisition of property.

Will there be any special requirements or provisions for subdivisions within the Historic District, Colonial Terraces area, LWRP area, etc.?

Under Section 5, Article V, 266-21. “Procedure” – In B. - Is the public hearing procedure in front of the planning board that is described, analogous to and consistent with the procedure used by the Zoning Board re: zoning variances?

In this section there is mention of sewage disposal addressed by the OC DOH, but no mention of storm water regulations. Depending on the area, there may be combined sewer and storm water, which now has to be separated. This needs to be addressed.

In Section 6, Article VI, Public improvements, 266-29 “Specifications” – What does “EN” stand for? The discussion of the amendments recommends removal of all the previously listed standards and replaces them with “Specifications acceptable to the City Engineer and conform to standards available in his/her office. I suggest “acceptable to the City Engineer and the Planning Board”. What are the references for the standards – NYS public works specifications? The references from which the specifications and standards are derived should be added back in. What are the criteria that will determine “acceptable” and how discretionary is that? In order to ensure consistency in the application of standards, this section needs some clarification.

Under Section 8, Article VIII, Miscellaneous provisions, 266-34 “Variances” describes that the owner can demonstrate that the enforcement of one or more of these regulations is impracticable or will exact undue hardship and at the discretion of the Planning Board (City Council was removed) can get a “waiver” as may be reasonable and within the general purpose and intent of the rules, regulations and standards established by this chapter. Should the title of this section be changed to “Waivers”? Are there any criteria for granting waivers? Is there any procedure for exemption from one or more aspects of the regulation that results in a waiver. Again some clarification is needed.

In the Ordinance amending Chapter 163 – Fees 266-19-19, only minor subdivisions are stated with this fee. See previous comments regarding Subdivision and Minor Subdivision. Then in section 266-22, a fee of \$1,000.00 is proposed for each residential unit, in lieu of land. How was this Dollar amount arrived at? I again say see previous comments regarding other types of subdivisions and think that language should be included here.

Over all, it appears that open space, park or recreation purposes or fee in lieu of land are the only areas where an impact of subdivision will be accessed. As we all know, subdivisions can imply increased density and increased demands on City infrastructure.

Perhaps this entire chapter should receive some further review, with the exception of the wetlands section and the 62 day time frame, prior to the Council approving the proposed amendments.

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COMMENTS FROM THE COUNCIL REGARDING THE AGENDA

Mayor Valentine pointed out after the City had gone through five city managers in one year, to the embarrassment of this city and to the entire region, we came upon Rick Herbek. He was actually lobbied heavily to come here by one of the two council members that currently do not want him here anymore. He was lobbied for three different times, once when Jean-Ann McGrane was fired, the second time when Dwight Douglas left, and then finally when we were out of department heads Rick Herbek said he would leave what he was doing to come and interview for the position. He was brought in as Acting City Manager with a caveat of council to start a search for a permanent one. The search began at the latter part of 2009. It was extended until January of this year because we had a new councilperson that had come on. The question at hand is how we arrived here tonight.

In January we started up a search for a new city manager with a search firm. Interestingly enough one of the council members who doesn't want the current acting manager, did not want the search for *any* city manager. What do you do, operate with none! We received two very good candidates who interviewed for the position. Would they fit the bill for Newburgh at this particular time with the financial situation of the city? Personally he does not think so. But he is only one vote. So what did the council do? They met again and discussed what they would do at this particular time. The consensus of this council is to keep Rick as our acting city manager.

Right now we are in a budget time. Do you think if he left tomorrow we would have anyone to fill the shoes? He asked his colleagues this question to which they have replied in the negative. So right now we are simply continuing what we have been doing for one year already. We have asked the current acting city manager to remain onboard until next year's election process. It is not to say it can not be reviewed later. We definitely want to ensure that he is here through this year's budget process. It would be insane to bring in someone new at this delicate time. And by the way, there was no vote. You don't need a vote to have somebody work tomorrow who is working here today. If you don't have a vote, then you don't have a 'secret' vote. Mayor Valentine clarified that no vote occurred in an executive session. They simply met and asked themselves if there would be three people willing to continue what we are doing now. It is pretty simple. Some people may not like this. You will have the opportunity to change it next year as three council seats are up for re-election. If things come down to that 3-2 road of not keeping Rick Herbek, then we might as well close. It is so easy to criticize, but the budget must be adopted by the second meeting in November. These things don't happen by magic.

Next, he is upset as anybody else about Ms. Mitchell leaving. He believes it was a purely personal decision and it is a loss to the city. Ms. Mitchell gave tirelessly for Newburgh, maybe too tirelessly. She will be missed. You don't just get a new Comptroller overnight. He reminded us we have a deficit to deal with. We had to go to the State just to put us back to a grade level. And by the way, Jean-Ann McGrane's salary was \$10,000 more than Rick Herbek's salary is.

Councilman Dillard pointed out before the comptroller left he requested she print out some salary comparison charts. Rick Herbek's salary is \$162,000 a year and there are no benefits. The woman who was interviewed for the post had asked for \$125,000. When all of the figures and benefits are taken into consideration the grand total is much more than what the current acting city manager is earning.

Councilwoman Bell pointed out she did ask for Mr. Herbek to come to Newburgh because of his experience in managing municipalities. She asked him to come on an interim basis. She made it clear she did not ask him to come here and get comfortable. It was decided as a full council to conduct an executive search by hiring a firm. All of the money was approved and the process had moved forward. All of a sudden we don't hear anything from the firm. Later she learned an email was sent to the search firm. She stated the idea is the acting city manager had understood that his post was not going to permanent. She also said in the contract it was stated that he would assist the city with the search for a permanent city manager. The contract does not state he is going to suspend the search, nor does it state he is going to put his own name into the pool of applicants.

She referred to three council persons as a 'Gang of Three'. Personally she is looking for someone who is creative, innovative and who can think outside the box. He was not to be considered for the permanent manager. Quite frankly she feels she had a whole year to get the chance to interview him as city manager. She mentioned back-door politics is being displayed. She told her colleagues she would not go along with this and she would take it to the people if she has to.

Councilman Dillard remarked Councilwoman Bell has the audacity not to give the man an interview for the position.

Councilwoman Angelo read some of the headlines from the various newspapers. It seems like the turmoil hit when the last acting manager quit. She recalled Councilwoman Bell and Councilwoman Bello writing open letters to the people. Also the Mayor and Mr. Herbek wrote open letters. She

urged the public to refer back to all of these letters and get the facts. Then everyone can discover where the truth lies.

Councilwoman Bello remarked that you can not defend the indefensible. Also you can not defend bad ethics. She quoted Mr. Herbek's words from the meeting of August 31, 2009, "My goal is to do a budget....and to find a qualified city manager who can help the council in the years ahead to perform the role of executive leader." Within 28 days of being hired he suspended the search.

Mayor Valentine pointed out Councilwoman Bello did not vote for the search to begin with.

Councilwoman Bello agreed she did not support the search. Shortly after Jean-Ann McGrane was let go the council received 19 unsolicited resumes from highly qualified candidates. She desired to interview people to hire someone right away. But the majority of the council wanted to forgo those resumes and go with the search firm. She was outnumbered on that. She would have rather wanted to do things in a more cost-effective way.

Mayor Valentine commented we are now at the point where we are a divided city council so that the other neighboring communities can make fun of us. We are back to a 3-2 council, which we try our best not to be. There is no solution. We have a budget that is going to be presented soon, which then has to be reviewed by the council as a whole. He hopes they will be able to do that. There are a lot of jobs at stake right now, and there are a lot of taxes at stake. Because in actuality, if you don't have the money there are only two things you can do: raise taxes or lay people off. They are presenting it almost three weeks earlier than normal, so that whatever is going to be changed is done in enough time to get it up to Albany.

There being no additional comments, this portion of the meeting was closed.

CITY MANAGER UPDATE

Acting City Manager Richard Herbek remarked the resignation of the City Comptroller Christine Mitchell is an unfortunate loss. He believes her reasons for leaving did not have anything to do with the job itself, they were purely personal. She was working very well with us, often working day and night and weekends too. Anna Calli was in the role before we hired Ms. Mitchell. She will resume the role now that Christine is gone. The city has already received some applications for the position.

At the meeting of September 7th, a number of issues had come up. Questions were raised about the status of the waterfront development project. He has met with Denise Ribble in that office to talk a little bit about this. We did have 5 or 6 meetings with The Leyland Alliance. They are in the process of informing everyone about the status of that project. IDA and the Waterfront Committee have proposed public forums concerning this. First he needs an executive session with the council to discuss options with Leyland Alliance. He understands we are working hard on the budget. Yet he would like to get that scheduled within the next thirty days.

Regarding the Orange County Comprehensive Plan and Water Supply, Orange County is trying to steer away from it, and now it is talking about more municipal agreements. The City of Newburgh has been working with the towns of Newburgh and New Windsor. We are fairly close to an agreement with the Town New Windsor. Hopefully within thirty days he should be able to bring something back to the council.

A suggestion was made to beef up the financial advisory committee. He thinks the council would certainly be in favor of this. It still needs to be decided as to what skill sets are being sought. Are we looking for a banker, accountant or lawyer? It needs to be clearer. The audit reports for 2008 and 2009 have been made available for public inspection in the city offices. There was a problem with the 2007 audit report, essentially it was a non-report. This was prior to his coming on board. He does not want to think egotistically, but he feels he was very instrumental in finding the auditors to come in and find these problems. He recalled when he arrived nobody knew how much money the city actually had in its coffers.

The bulk-item pick-up is something that has been discussed. They have been analyzing the options. He feels the best option is a call-in bulk pickup arrangement, whereby a resident would call DPW to obtain have a scheduled pickup of a mattress, sofa, or similar bulk item. There would be a fee for that service, which would then be added to the sanitation bill. He pointed out

there is a fee for this service now. But handling it this way would probably be the best option.

There has been an asbestos problem in the work at the Liberty Street School site. We have taken over responsibility for the site and the city still retains ownership of the property. The city is in the process of obtaining a report from the company CT Male Associates. The next step will be a cleanup of the asbestos on the exterior of the building. We are working on this whole issue with our Corporation Counsel, the City Engineer and DPW.

The search for a Community Development Director had commenced. Four individuals were interviewed and Courtney Kain has been selected to the position. A lot of credit goes her leadership in the West Street reimbursement initiative. She was able to rescue in excess of \$800,000 contributing to a reimbursement check for that.

Mr. Herbek turned the microphone over to Director of Planning and Development Edward Lynch to explain some of the concerns with the subdivision of land. Lynch pointed out there is a Newburgh developer who had subdivided land in the past. Lynch stated a subdivision is on file with our tax assessor. They are looking at the subdivision regulations along with some other requirements. Mr. Lynch stated he would be happy to meet with Ms. Ribble to discuss her concerns.

There being no further updates for the council and the audience members, Mr. Herbek proceeded to the City Manager's Report.

RESOLUTION NO.: 218 - 2010

OF

SEPTEMBER 20, 2010

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF NEWBURGH
PURSUANT TO THE STATE ENVIRONMENTAL QUALITY REVIEW ACT
("SEQRA")**

**ASSUMING LEAD AGENCY STATUS WITH RESPECT TO AN AMENDMENT
TO CHAPTER 266 OF THE CODE OF THE CITY OF NEWBURGH, ENTITLED
"SUBDIVISION OF LAND," CLASSIFYING THE ACTION AS AN UNLISTED
ACTION,**

**ADOPTING THE SHORT FORM ENVIRONMENTAL ASSESSMENT FORM
("EAF")**

**ATTACHED HERETO, MAKING A FINDING OF NEGATIVE SIGNIFICANT
IMPACT ON THE ENVIRONMENT WITH RESPECT TO SAID ACTION AND
AUTHORIZING THE CITY MANAGER TO EXECUTE SAME
ON BEHALF OF THE CITY OF NEWBURGH**

WHEREAS, the City of Newburgh wishes to adopt an ordinance amending various sections of Chapter 266, entitled "Subdivision of Land" within the Code of the City of Newburgh; and

WHEREAS, in compliance with the New York State Environmental Conservation Law ("ECL") and the rules and regulations of the New York State Department of Environmental Conservation ("NYSDEC") (6NYCRR, Part 617) the City Council wishes to assume lead agency status with respect to such action; classify such action as an Unlisted Action and adopt the Short Form EAF attached hereto in pursuance of same;

NOW, THEREFORE BE IT RESOLVED, that the City Council of the City of Newburgh, New York, does hereby assume lead agency status with respect to an amendment to Chapter 266 of the Code of the City of Newburgh, entitled "Subdivision of Land;" and as lead agency does hereby classify such action as an Unlisted Action; and does hereby adopt the Short Form EAF attached hereto; make a finding of negative significant impact on the environment and does hereby authorize the City Manager to execute and submit same to all involved regulatory agencies and parties on behalf of the City of Newburgh, in compliance with the provisions and requirements of SEQRA, the Environmental Conservation Law and the rules and regulations of the New York State Department of Environmental Conservation.

Councilwoman Bell moved and Councilwoman Bello seconded that the resolution be tabled.

Ayes- Councilwoman Angelo, Councilwoman Bell, Councilwoman Bello, Mayor Valentine-4

No- Councilman Dillard-1

TABLED

NOTES

Due to the tabling of preceding Resolution #218-2010, the council refrained from voting on subsequent Ordinances #15-2010 and #16-2010.

RESOLUTION NO.: 219- 2010

OF

SEPTEMBER 20, 2010

**A RESOLUTION AUTHORIZING THE CITY MANAGER
TO EXECUTE AN AGREEMENT WITH IKON OFFICE SOLUTIONS, INC.
FOR A RICOH MP 2000 COPIER FOR THE ASSESSOR'S OFFICE
AT A COST OF \$124.73 PER MONTH FOR A PERIOD OF 36 MONTHS**

WHEREAS, the City of Newburgh Assessor's Office is in need of updating their copier to perform their statutory duties, assigned tasks and day-to-day operations; and

WHEREAS, a review of available equipment and systems has identified a Ricoh MP20000 Copier to be the most appropriate and cost-effective alternative; and

WHEREAS, the cost of the Ricoh MP2000 Copier is \$103.93 for the Lease and \$20.80 for the Base Service Plan for a total of \$124.73 per month for a period of 36 months; and

WHEREAS, a copy of the new contract is attached hereto and made a part of this resolution; and

WHEREAS, this Council has reviewed such contract and has determined that it is in the best interests of the City of Newburgh to enter into such contract;

NOW, THEREFORE, BE IT RESOLVED, by the Council of the City of Newburgh, New York that the City Manager be and he is hereby authorized to execute an agreement in substantially the same form as annexed hereto so as to lease a Ricoh MP2000 Copier and related services from IKON Office Solutions, Inc. according to the terms therein stated.

Councilwoman Angelo moved and Councilwoman Bello seconded that the resolution be adopted.

Ayes- Councilwoman Angelo, Councilwoman Bell, Councilwoman Bello, Councilman Dillard, Mayor Valentine-5

ADOPTED

RESOLUTION NO.: 220 - 2010

OF

SEPTEMBER 20, 2010

**A RESOLUTION TO ACCEPT A GIFT OF ONE HUNDRED DOLLARS
FROM AL AND JUDITH BLANCO IN MEMORY OF JOHN SILVAGNI
TO BE USED FOR THE RECREATION DEPARTMENT**

WHEREAS, in memory of John Silvagni, Al and Judith Blanco have offered the City of Newburgh a gift of One Hundred and 00/100 (\$100.00) Dollars to be used for the Recreation Department; and

WHEREAS, this Council finds it to be in the best interests of the City of Newburgh and the Recreation Department to accept such donation;

NOW, THEREFORE, BE IT RESOLVED, by the Council of the City of Newburgh, New York, that pursuant to General City Law Section 20, the City Council of the City of Newburgh, New York hereby accepts such gift of One Hundred and 00/100 (\$100.00) Dollars from Al and Judith Blanco, and directs and authorizes the City Manager to utilize said gift for a municipal or public purpose for the Recreation Department of the City of Newburgh; and

BE IT FURTHER RESOLVED, that this donation is accepted with much appreciation and thanks of the City Council, on behalf of itself and of the people of the City of Newburgh.

Councilwoman Angelo moved and Councilwoman Bello seconded that the resolution be adopted.

Ayes- Councilwoman Angelo, Councilwoman Bell, Councilwoman Bello, Councilman Dillard, Mayor Valentine-5

ADOPTED

RESOLUTION NO.: 221 - 2010

OF

SEPTEMBER 20, 2010

**RESOLUTION AMENDING RESOLUTION NO: 185-2009,
THE 2010 BUDGET OF THE CITY OF NEWBURGH,
REGARDING AMENDMENTS TO THE GENERAL FUND AND THE WATER
FUND
TO FUND THE EARLY RETIREMENT INCENTIVE**

BE IT RESOLVED, that Resolution No: 185-2009, the 2010 Budget of the City of Newburgh, is hereby amended regarding amendments to the General Fund and the Water Fund, to fund the Early Retirement Incentive as set forth on the spreadsheet attached hereto.

Councilwoman Angelo moved and Councilwoman Bello seconded that the resolution be adopted.

Ayes- Councilwoman Angelo, Councilwoman Bell, Councilwoman Bello, Councilman Dillard, Mayor Valentine-5

ADOPTED

20110

FROM:		AMOUNT	AMOUNT
A1900	SPECIAL ITEMS		
	0.1990 Contingency - Emergency	204,573	
TO:			
A1230	CITY MANAGER		
	0.0101 Salary		2,500
	0.0106 Severance		200
	0.0107 Longevity		627
	0.0810 Retirement		100
	0.0830 Social Security		275
A1330	TAX COLLECTOR		
	0.0101 Salary		26,880
	0.0106 Severance		29,002
	0.0107 Longevity		247
	0.0810 Retirement		50
	0.0830 Social Security		4,706
A1680	DATA PROCESSING		
	0.0101 Salary		5,030
	0.0103 OverTime		3,050
	0.0106 Severance		16,444
	0.0107 Longevity		995
	0.0810 Retirement		525
	0.0830 Social Security		2,241
A1900	SPECIAL ITEMS		
	0.1980 MTA PAYROLL TAX		1,207
A3412	FIRE DEPARTMENT		
	0.0101 Salary		21,044
	0.0106 Severance		15,319
	0.0107 Longevity		300
	0.0810 Retirement		925
	0.0830 Social Security		3,224
A5132	DPW - GARAGE		
	0.0101 Salary		5,975
	0.0103 OverTime		1,333
	0.0106 Severance		12,960
	0.0107 Longevity		1,060
	0.0810 Retirement		303
	0.0830 Social Security		2,020
A7110	DPW - PARKS		
	0.0101 Salary		3,565
	0.0103 OverTime		20
	0.0106 Severance		38,408
	0.0107 Longevity		382
	0.0810 Retirement		95
	0.0830 Social Security		3,561
		\$ 204,573	\$ 204,573

FROM:		AMOUNT	AMOUNT
F1900	SPECIAL ITEMS		
	0.1990 Contingency - Emergency	25,165	
TO:			
F1900	SPECIAL ITEMS		
	0.1980 MTA Payroll Tax		98
F8320	PONDS & RESERVOIRS		
	0.0101 Salary		6,289
	0.0103 OverTime		33
	0.0106 Severance		14,204
	0.0107 Longevity		2,087
	0.0810 Retirement		300
	0.0830 Social Security		2,154
		\$ 25,165	\$ 25,165

RESOLUTION NO.: 222 - 2010

OF

SEPTEMBER 20, 2010

**A RESOLUTION AMENDING RESOLUTION NO.: 186-2010
AUTHORIZING A PUBLIC AUCTION
OF CITY OWNED PROPERTIES**

WHEREAS, the City of Newburgh has acquired title to several parcels of real property by tax foreclosure *in rem*; and

WHEREAS, the City of Newburgh now desires to dispose of these properties; and

WHEREAS, this Council has, by Resolution No.: 159-2010 of July 12, 2010, authorized the City Manager to enter into a contract with Haroff Auction & Realty, Inc./Absolute Auctions & Realty, Inc. to conduct a public auction of City owned properties; and

WHEREAS, upon the recommendation of City staff, this Council has determined that auctioning the parcels on the attached Schedule "A" is in the best interests of the City of Newburgh; and

WHEREAS, the properties on the attached Schedule A are to be sold to the highest bidder subject to the final approval of each sale by this Council; and

WHEREAS, the properties on the attached list shall be sold subject to an owner-occupancy for five (5) years provision, with the exception of 37 City Terrace, Section 29, Block 4, Lot 14; 48 City Terrace, Section 29, Block 5, Lot 38; 197 Lander Street, Section 11, Block 3, Lot 1 and 248 Washington Street, Section 35, Block 3, Lot 31, on the official tax map of the City of Newburgh; and

NOW, THEREFORE, BE IT RESOLVED, by the Council of the City of Newburgh, New York that the properties on the list attached hereto as Schedule A are to be sold at public auction on October 14, 2010 to the highest bidder subject to the final approval of each sale by this Council; and

BE IT FURTHER RESOLVED, that the properties on the attached list shall be sold subject to an owner-occupancy provision for five (5) years, with the exception of 37 City Terrace, Section 29, Block 4, Lot 14; 48 City Terrace, Section 29, Block 5, Lot 38; 197 Lander Street, Section 11, Block 3, Lot 1 and 248 Washington Street, Section 35, Block 3, Lot 31,, on the official tax map of the City of Newburgh; and

BE IT FURTHER RESOLVED, that if the properties set on the list attached hereto as Schedule B are sold and title closes under Quitclaim Deed to the following persons at the purchase prices, payment of the full 2010/2011 School Taxes, recording fees and transfer tax, and subject to the restrictive covenants and general conditions set forth therein, all on or before September 30, 2010, such properties shall not be sold at the auction on October 14, 2010; and

BE IT FURTHER RESOLVED, the City Manager be and he hereby is directed to take all steps and execute any and all instruments and documents necessary to implement this resolution.

Councilwoman Bell spoke in opposition of the auction. She has made it this in the past because she has heard some really great alternatives offered by the Pace Land-Use study for land development. Sometimes when we don't recognize what the true goal is we often get cheated in order to make a quick dollar. She intends to vote in the negative tonight.

Corporation Counsel Bernis Nelson clarified the resolution. The original resolution had a list of properties which were slated for auction on October 14, 2010. Even before the recommendations were made by Pace, a presentation was made before the city council in advocacy of properties being withheld from the auction to richly encourage home ownership, and also to help homeowners who are having financial trouble.

There are 29 properties on the list. They have received letters, and the city is working actively with the owners who occupy the homes, for them to try to buy back the properties. This resolution provides an opportunity for those 10 owners who think they can pay all of the back taxes, all of the interest with no additional penalty and an additional 30% on top of that. They will be responsible for recording the deed too. Those 10 people have stepped forward and stated they are willing to do this before September 30, 2010.

All that will be left of this resolution will be the remainder properties, provided the ten individuals close by the deadline. Basically all the occupied properties are coming off the list until the people close. Without this amendment to the resolution those 10 people would not have the opportunity to buy back their homes. Their properties would be subject to auction in October.

Councilwoman Angelo moved and Councilwoman Bello seconded that the resolution be adopted.

Ayes- Councilwoman Angelo, Councilwoman Bell, Councilwoman Bello, Councilman Dillard, Mayor Valentine-5

ADOPTED

<u>Property Address</u>	<u>S - B - L</u>	<u>Purchaser</u>	<u>Relationship to Former Owner</u>	<u>Purchase Price</u>	<u>School</u>
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408 Carpenter Avenue Unit 3-24	56-1-1.-74	R. Bruce McLean	Same	\$9,100.00	\$1,4
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440f Carpenter Avenue Unit 1-9	56-1-1.-9	R. Bruce McLean	Same	\$11,500.00	\$1,8
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440 Carpenter Avenue Unit 1-20	56-1-1.-20	R. Bruce McLean	Same	\$9,100.00	\$1,4
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322 Robinson Avenue	S3, B9, L25	Frances Anderson	Same	\$9,500.00	\$2,9
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167 W. Parmenter Street	38-3-4	Mattie S. Johnson	None - Adjoining Property Owner	\$1,000.00	\$3
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<u>Property Address</u>	<u>S - B - L</u>	<u>Purchaser</u>	<u>Relationship to Former Owner</u>	<u>Purchase Price</u>	<u>School</u>
-------------------------	------------------	------------------	-------------------------------------	-----------------------	---------------

16 Hudson View Terrace	S7, B8, L10	Vanessa Renee Green	Niece	\$11,100.00	\$3,0
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15 Ellia Avenue	33-2-2.1	Gary M. Curtis	Same	\$2,100.00	\$3,1
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64 Clinton Street	10-2-19.2	Mary Crabb	None- Adjoining Property Owner	\$15,000.00	\$8
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<u>Property Address</u>	<u>S - B - L</u>	<u>Purchaser</u>	<u>Relationship to Former Owner</u>	<u>Purchase Price</u>	<u>201 Schoo</u>
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70 Leroy Place	S4, B10, L4	John Davis & Sheila Stepp	Same	\$40,464.10 Plus \$6,765.87	\$5,3
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which constitutes
all outstanding
taxes
interest &

				penalties	
14 Elm Street	17-7-16	Johnson-Parker	Same	\$3,320	\$2,7

*** NOTE Status Quo Ante means that the deed shall be subject to any liens, encumbrances or mortgages of record that may have existed against the property at the time the City of Newburgh took title in its in rem tax foreclosure proceeding.**

RESOLUTION NO. 223 - 2010

OF

SEPTEMBER 20, 2010

A RESOLUTION TO AUTHORIZE A SETTLEMENT IN THE MATTER OF
JOSE RODRIGUEZ AGAINST THE CITY OF NEWBURGH IN THE AMOUNT OF
THREE THOUSAND SEVEN HUNDRED FIFTY DOLLARS

WHEREAS, Jose Rodriguez brought an action against the City of Newburgh; and

WHEREAS, the parties have reached an agreement for the payment of the settlement in the amount of Three Thousand Seven Hundred Fifty (\$3,750.00) Dollars in exchange for a release to resolve all claims among them; and

WHEREAS, this Council has determined it to be in the best interests of the City of Newburgh to settle the matter for the amount agreed to by the parties;

NOW, THEREFORE, BE IT RESOLVED, by the Council of the City of Newburgh, New York, that the City's attorney is hereby authorized to settle the claim of Jose Rodriguez in the total amount of Three Thousand Seven Hundred Fifty (\$3,750.00) Dollars, and that City Manager be and he hereby is authorized to execute documents as the City's attorney may require, to effectuate the settlement as herein described.

Councilwoman Angelo moved and Councilwoman Bello seconded that the resolution be adopted.

Ayes- Councilwoman Angelo, Councilwoman Bell, Councilwoman Bello, Councilman Dillard, Mayor Valentine-5

ADOPTED

RESOLUTION NO.: 224 - 2010

OF

SEPTEMBER 20, 2010

**A RESOLUTION AUTHORIZING THE CITY MANAGER
TO ENTER INTO A LEASE WITH
MICHAEL SHAUGHNESSY FOR
THE RENTAL OF THE WASHINGTON LAKE HOUSE
LOCATED AT 694 LITTLE BRITAIN ROAD**

WHEREAS, the City of Newburgh is the owner of real property known as 694 Little Britain Road located on Washington Lake; and

WHEREAS, Michael Shaughnessy has expressed an interest in renting said premises; and

WHEREAS, an agreement has been reached in concept between Michael Shaughnessy and the City of Newburgh concerning the terms of such lease;

NOW, THEREFORE, BE IT RESOLVED, by the Council of the City of Newburgh, New York that the City Manager be and he is hereby authorized to execute a lease agreement with Michael Shaughnessy for rental of the premises known as 694 Little Britain Road for the rental amount of Eight Hundred (\$800.00) Dollars per month starting the second month of such lease, the improvements set forth on the attached list to be completed during the first month of the Lease, together with such other terms and conditions contained in the subject lease, including such other terms and conditions as may be deemed appropriate and necessary by the City Manager and the Corporation Counsel in order to carry-out the subject transaction.

Mayor Valentine pointed out this resolution is not on the agenda because they literally found out about it when they were in executive session. He stated the resolution refers to city-owned property on Washington Lake. Michael Shaughnessy, who works for DPW, wants to rent the property. It has been vacant and it needs some work. They have come up with a lease that works for both him and the city.

Councilwoman Angelo moved and Councilwoman Bello seconded that the resolution be adopted.

Ayes- Councilwoman Angelo, Councilwoman Bell, Councilwoman Bello, Councilman Dillard, Mayor Valentine-5

ADOPTED

Attachment for Resolution #224-2010

- HAVE TO GET WATER TURNED ON TO SEE IF ANY LEAKS
- NEED TO FIRE UP FURNACE TO MAKE SURE NO PIPES ARE BROKEN
- REPAIR AND PAINT CEILINGS
- REPAIR OR REPLACE DOOR TRIM AND JAMBS THAT ARE BROKEN FROM WHEN PLACE WAS RAIDED
- REMOVE OLD FURNITURE AND TV'S
- GARAGES HAVE TO BE EMPTIED OUT OF PIPE AND EQUIPMENT (WATER DEPT.)
- 2 HOT TUBS IN YARD NEED TO BE REMOVED
- POSSIBLE ONE MONTH FREE RENT IN EXCHANGE FOR MY LABOR AND MATERIALS

2011 PRELIMINARY BUDGET PRESENTATION

Acting City Manager Richard Herbek read the Budget Message (SEE ATTACHED). He stated this is not the budget he would have preferred to present, because it does not contain any growth in services or initiatives that are so desperately needed to improve the quality of life in the City. In fact, we are faced with higher taxes and reductions in services through layoffs. He pointed out this is a preliminary budget. We are still planning to file a tentative budget.

The budget message was followed by a power point presentation highlighting general fund appropriations, general fund revenues, a summary of personnel changes and the property tax levy.

He commented he would like to begin meeting with the city council as soon as possible to discuss this further. Discussions will most likely include meetings with individual departments. He issued calendars so he can begin looking at dates with the council and department heads.

Mr. Herbek answered concerns about the proposed property tax hikes. He stated there were errors that have occurred over the years. 2009 proposed revenues were unrealistic numbers. Also the city used millions of dollars from a fund balance that was never there. All of this has had a snowball effect. The State of New York does not allow a municipality to run in the red. A balanced budget must be issued.

Mr. Herbek applauded the efforts of consultant Dwight Hadley. He is one of the best finance guys in the State of New York. He was the Chief Financial Officer for the City of Stamford, Ct. Also he was the CFO of White Plains. He worked in the State Comptroller's Office for many years. Late in his career he was the CFO at Albany airport. Mr. Herbek stated he has learned a lot from Hadley. Dwight has helped guide this budget process with him, along with Christine Mitchell and department heads. They realize this is tough. But they are all in this together.

Copies of the budget message were made available for everyone.

CITY OF NEWBURGH
NEW YORK



FISCAL YEAR 2011 BUDGET

PRELIMINARY

MANGER'S PROPOSED

AS OF SEPTEMBER 20, 2010

NICHOLAS VALENTINE, MAYOR

REGINA ANGELO, COUNCIL MEMBER

MARGE BELL, COUNCIL MEMBER

CHRISTINE BELLO, COUNCIL MEMBER

CURLIE DILLARD, COUNCIL MEMBER

RICHARD F. HERBEK, ACTING CITY MANAGER



CITY OF NEWBURGH

OFFICE OF THE CITY MANAGER
City Hall - 83 Broadway, Newburgh, New York 12550
www.cityofnewburgh-ny.gov

citymanager@cityofnewburgh-ny.gov

Phone: (845) 569-7301

Fax: (845) 569-7370

Richard F. Herbek
Acting City Manager

2011 PRELIMINARY PROPOSED BUDGET

September 20, 2010

Newburgh City Council
City Hall
83 Broadway
Newburgh, NY 12550

Honorable Members of the City Council:

I hereby submit to you the 2011 Preliminary Proposed Budget for the City of Newburgh prepared in accordance with the Charter of the City of Newburgh and the City of Newburgh Fiscal Recovery Act.

As you know, these past several years have been an especially trying time for our nation, our State and our City. The economic crisis has continued to place great strain on local businesses and taxpayers, leaving our City with shortfalls in many revenue categories. This, coupled with City budgets in previous years that have not realistically forecasted revenues or expenditures, resulted in the City having to ask the State to enact legislation to enable the City to bond an estimated accumulated deficit that may reach \$15 million by the end of 2010.

The City of Newburgh Fiscal Recovery Act, Chapter 223 of the Laws of 2010, gives oversight responsibility to the Office of the State Comptroller to review the City's proposed budget and to approve all future bond issues. The City cannot issue bonds for the accumulated deficit until the Office of the State Comptroller reviews and verifies such deficit through December 31, 2010 based on the City's audited financial statements.

The City is faced with preparing a general fund budget with revenues equaling expenditures while the financial prospects for the City have grown worse. The City's assessment roll for 2011 has declined by 14%, the State revenue sharing aid to municipalities (AIM) is projected to be cut an additional five percent, and revenues that are based on local economic activities are projected for little or no growth. Our City receives far less in State aid than many other cities across the State. There are three major tax-exempt properties from which the City does not receive any property tax revenues from although they continue to be

provided with police and fire services – Orange County Community College, Mount Saint Mary College and Saint Luke’s Cornwall Hospital.

Let me be clear, this is not the budget I would have preferred to propose in that it does not contain any growth in City services or initiatives that are so desperately needed to improve the quality of life in the City. This budget reduces services to the people of Newburgh through workforce reductions including many layoffs. These are real services our residents have come to depend upon, performed by real people who depend upon their jobs for their own livelihood.

Nonetheless, we have a responsibility to the City of Newburgh and its taxpayers to ensure that this City remains solvent and operational. We cannot spend more on services than what we can afford to pay from revenues generated in 2011. Accordingly, this proposed budget makes a lot of tough decisions necessary for our survival until economic conditions improve.

GENERAL FUND BUDGET SUMMARY

The proposed preliminary General Fund budget for 2011 is balanced at \$39,092,091 which is 9.4% below the 2010 adopted budget. The budget reflects the loss of \$230,000 from State AIM funding, an increase of \$327,000 in employee related health insurance and an increase of \$1,569,000 for debt service payments. It also reflects removing the sanitation operations from the General Fund to a new Enterprise Fund where as a result of a rate increase in 2010, this new fund will now be self-sufficient.

The 2011 General Fund budget includes a total of 210 full and part-time positions, 60 fewer positions than in the 2010 amended budget. This is the smallest proposed City workforce since the early 1980s. We have tried to make these reductions in such a way as to not impact the quality of essential services critical to public safety and quality of life.

Even with consideration of all the above, the City’s real property tax levy will increase by \$5,360,090, or 41%. The projected tax rates for 2011 have been calculated as follows:

	<u>Preliminary 2011</u>	<u>Adopted 2010</u>	<u>Percent Inc. (Dec.)</u>
Property Tax levy	\$18,563,364	\$13,203,274	41%
Assessment Roll			
Homestead	\$ 746,738,850	\$ 860,167,464	(13%)
Non-Homestead	<u>403,768,443</u>	<u>476,211,247</u>	(15%)
	\$1,150,507,293	\$1,336,378,711	(14%)
Property Tax Rates (Per \$1,000)			
Homestead	\$ 13.39	\$ 8.27	62%
Non-Homestead	\$ 21.22	\$12.79	66%

Every \$115,000 represents approximately \$0.10 of the property tax rate to be split between Homestead and Non-Homestead.

It should also be noted that without the 14% decrease in the assessment roll the projected increase in property tax rates in 2011 would be approximately 41%.

There are various open issues to be resolved during the upcoming budget review process including:

- Three out of four union contracts expired at the end of 2009 and the forth expires at the end of 2010. Serious negotiations are underway with the Firefighters Local 589 Union that could result in restoring 12 positions in exchange for major off-setting financial and other give-backs from the union. Meetings have been held with the other unions, however there have been no formal negotiations as of this date.

Of the 270 positions in the proposed budget (General Fund – 210, Enterprise Funds – 45, Special Grant Funds – 15) some employees are represented by the following:

	<u>Number</u>
Civil Service Employees Assoc.	96
Policemen's Benevolent Assoc.	66
Police Superior Officers Assoc.	15
International Assoc. of Firefighters.	43

- The City has started a review of departmental fees and charges, including a comparison of these with some surrounding jurisdictions. This review and comparison may result in recommendations for some increases for consideration by the City Council for incorporation into the final budget.
- The management of the Armory building which the City purchased from the State during 2010 has not been fully reflected in this budget. The goal for operating programs at this site and for maintaining the building and grounds is to achieve a zero net cost to the City based on receiving donations, grants and other user fees.
- The City has engaged an insurance consultant to review and assist in acquiring various insurance policies for 2011 to supplement its self-insurance program. The goal is to find ways to reduce the cost of insurance and limit the impact of claims. The results of this effort may not be available before the final budget is adopted.
- The City has \$17,092,530 of Bond Anticipation Notes and \$5,609,750 of Tax Anticipation Notes due November 30, 2010. At this time, the City has not determined the amount of these Notes that will be refinanced, but for the preliminary budget it is assumed both will be fully refinanced. Moody's Investors Service maintains a "Ba 1" rating on the City's outstanding general obligation bonds. Any change or withdrawal of such rating may have an adverse effect on the market place

or the availability of a market to refinance those Notes which could impact the amounts provided for principal and interest costs in the 2011 budget.

- One of the provisions of the Newburgh Fiscal Recovery Act requires the State Comptroller to examine the City's proposed budget and make recommendations thereon to the City prior to the final adoption of the budget. The City Council is required to make adjustments to the proposed budget consistent with any such recommendations. The impact of any such recommendations cannot be determined at this time.

ENTERPRISE BUDGETS SUMMARY

The City has three Enterprise Funds which are self-supporting. The Water and Sewer funds continue their operations from prior years and a new Sanitation Fund was established in 2010. These three funds support a total of 45 positions. Charges for services in these three funds have recently been increased. As a result, the 2011 financial plans for all three funds indicate they should operate on a positive basis without any subsidies required from the General Fund. The Water Fund, that had an accumulated unrestricted net asset deficit of \$1,691,654 at the end of 2009, is projected to be reduced by almost 50%.

SPECIAL GRANT FUNDS

During 2010, the City established a Special Grant Fund to account for a series of grant awards to match the authorized expenditures to the respective amounts awarded. The fiscal years of these awards are often different than the City's fiscal year which is why separating these funds from the General Fund adds to their accountability. Some are one-time grants for a specific time period to accomplish a specified function and others are renewable into future years, such as the Community Development Block Grant program. As of this date there are 15.5 positions assigned to these grants. If and when any individual grant ends, those positions funded by that grant will be eliminated.

PROSPECTIVE CAPITAL PROGRAM

The City has authorized but unissued debt for the following proposed projects:

- \$3,000,000 remaining deficit financing under the Newburgh Fiscal Recovery Act
- 9,193,259 Rte 9/Robinson Avenue road reconstruction
- 2,811,000 Liberty Street road reconstruction
- 1,115,000 Waste Water Treatment Plant rehabilitation
- 300,000 Marine Drive sewer line study
- 2,785,000 Brownfield remediation – demolition and removal of buildings and soil testing
- 90,000 Brownfield remediation – land use study

At this time, it is undetermined if any of the above projects, or any other capital projects, will be undertaken in 2011 unless grants or other financing sources are made available to the City.

CONCLUSIONS

A series of schedules are included in this budget that present detail summary data reflecting the General Fund budget and the financial plans for the three Enterprise Funds.

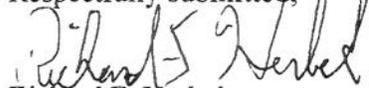
The economic realities facing the City have made this a most difficult and painful budget to present. At the moment, there are limited prospects for any improved economic financial recovery within the City. This makes projecting revenues and containing expenditures with any certainty impossible. The budget I am forced to propose raises property taxes and reduces services that the City's citizens need.

I am asking for cooperation and shared sacrifice from everyone in getting through the next year. There are certain measures that could be taken by our unions that would substantially lessen the impact of this budget on the citizens of Newburgh and its fellow workers who stand to lose their jobs. I am available for any productive discourse toward this goal.

I would like to express my sincere thanks to all the City employees and others who participated in the development of this budget and contributed their suggestions to the reductions made herein.

There is over six weeks until the City Council must adopt a final budget. Let's work together to find areas for improvement that will not result in further additional financial strain on Newburgh's taxpayers.

Respectfully submitted,



Richard F. Herbek
Acting City Manager

2011 Preliminary Proposed Budget General Fund Appropriations

<\$000 millions>
Preliminary 2011

<\$000 millions>
Revised 2010

Percent
Change

OPERATIONS:

• Personnel	\$16.1	19.0	-15.3%
• Benefits	10.5	10.5	0.0%
• Equipment	0.3	0.3	0.0%
• Contractual	4.9	6.2	-21.0%
SUBTOTAL	31.8	36.0	-11.7%

-1329-

OTHER:

• Debt Service	5.0	3.5	+42.9%
• Self Insurance	2.3	2.3	0.0%
• Transfer to other Funds	0.0	1.2	-100.0%
TOTAL Appropriations	39.1	43.0	-9.1%

2011 Preliminary Proposed Budget General Fund Revenues

<\$000 millions> <\$000 millions>
 Preliminary 2011 Revised 2010 Percent Change

Revenues			
• Sales & Use Tax	\$ 8.1	\$ 8.0	+ 0.1%
• State Revenue Sharing	4.4	4.6	- 4.4%
• Property Tax other items	1.2	1.3	- 7.7%
• Dept Fees & Charges	5.2	6.1	- 14.8%
• Interfund Revenues	1.6	1.1	+45.4%
• Total Revenue excluding Property Tax Levy	20.5	21.1	- 3.8%
PROPERTY TAX LEVY	<u>18.6</u>	<u>13.2</u>	<u>40.9%</u>
	39.1	34.3	+13.9%
Appropriations less Revenues:	<u>0.0</u>	<u><8.7></u>	<u>-100%</u>
TOTAL BUDGET	\$39.1	\$43.0	- 9.1%

2011 Preliminary Proposed Budget

SUMMARY OF PERSONNEL CHANGES

FUNDS	General	Enterprise	Total
2010 Budget, as adjusted	270.5	49.5	320.0
Vacancies Removed	-11.5	-2.0	-13.5
Retirements	-10.0	-2.0	-12.0
Lay-Offs	-34.5	-2.0	-36.5
Moved to			
Other Funds	-9.0	-2.0	-11.0
New	+4.5	+3.5	+8.0
2011 Budget	210.0	45.0	255.0

2011 Preliminary Proposed Budget Property Tax Levy

	Preliminary 2011	Adopted 2010	Percent Inc. (Dec.)
Property Tax Levy	<u>\$18,563,364</u>	<u>\$13,203,274</u>	41%

Assessment Roll:

Homestead	\$ 746,738,850	\$ 860,167,464	(13%)
Non-Homestead	<u>403,768,443</u>	<u>476,211,247</u>	(15%)
Total	<u>\$1,150,507,293</u>	<u>\$1,336,378,111</u>	(14%)

Projected Property Tax Rates (Per \$1,000):

Homestead	\$13.39	\$8.27	62%
Non-Homestead	\$21.22	\$12.79	66%

NEW BUSINESS

There were no comments at this time.

OLD BUSINESS

There were no comments at this time.

PUBLIC COMMENTS REGARDING GENERAL MATTERS OF CITY BUSINESS

Maryann Prokosch agreed with Mr. Herbek t there has been a snowball effect in the city. Mistakes were made a long time ago. Many things foretold what was to come ahead. Approving a contract for a city manager that earns more than a police chief is sad. Really you are rewarding somebody for someone else's performance. Second, letters that were written in the newspapers by various member of the council and by Mr. Herbek were their own realities. A person has his or her own version to a story. Somewhere in the middle is a gray area. Prokosch commented she sits on the Zoning Board. Part of the issue is to stick up for your friends and certain people. But we have to make decisions that are right for everyone. She feels she has earned the right to be cynical. She does not like being that way. But this is how she feels every time she hears something negative.

A resident and artist named Jonathan, Broadway, stated he has been here since 2005. He lost his job of 15 years and his home to foreclosure due to disability. He had the good graces to have been able to move to Safe Harbor for Independent Living. This has been an amazing happening for him. He stands before the council respectfully, but it is frustrating to him that he is ignorant when it comes to city matters. He is starting to see a sorrow that he had not seen before when he first moved to Newburgh. He believes every person wants to do well no matter what his situation is. It is Jonathan's belief a person wants to be part of the community and may not have the adequate tools or resources. Newburgh is a very different happening than White Plains or Stamford, Ct. He loves this city and its diversity. He urged everyone to love it the same and honor the people and utilize the competent workers here. This is how the city will find sound fiscal solvency.

Barbara Smith does not understand why Newburgh does not receive more aid from the state to off set the money the city loses for not-for-profits. For this we should get more consideration from the state. Also she read somewhere that Senator Larkin has been busy discussing with legislators the incorporation of a program that only raises the property taxes 4.2%.

Mayor Valentine stated this is same thing as the city having to build and pay for a courthouse that costs us close to \$300,000 per year. It is mandated by the State.

Smith also asked why residents can not receive one free bulk-item pickup. Last, she would like the city to replace a fire hydrant that was removed

from in front of her home. It is important to maintaining the safety of her home.

Nigel Bethea, Clark Street, wants to know why there are not more grants available to homeowners to help them fix their homes. He notices there are many loan programs available instead of grant programs. Second, there is a lot of trash dumping on his street. He would like to know who to see about this problem. Also there is a lot of drug-related activity on the street. There are kids who live on the street who see this occurring. It is becoming a big problem.

Mayor Valentine responded that there currently is a community program that has been switched over from a loan program to a grant program. There are eligibility requirements and the program is run out of the Office of Planning and Development. The mayor advised him to speak to Mr. Garrison of DPW about the trash dumping. He advised him to speak to Acting Chief Michael Ferrara about crime in the area.

Councilman Dillard explained the enforcement of trash dumping is in the works, as is the enforcement of drug-related activity.

Torrance Harvey, a City of Newburgh homeowner, is concerned that every answer to the fiscal challenges presented tonight are placed on the backs of the homeowners, which is 30% of the residents. He would like to know what our city representatives are doing to encourage business here. As it stands, mom and pops and small business owners don't want to be here because of the increased tax levies. People are moving out and going to the Town of Newburgh and Town of New Windsor. The burden is on the taxpayers. It is unfortunate because our bigger employers, such as St. Luke's Hospital, Newburgh Enlarged City School District and Mount Saint Mary's College are all not-for-profit and therefore tax exempt. What are we going to do to ameliorate or eliminate the crime and violence in our city? This issue perpetuated in the media decreases the prospect of businesses coming to Newburgh.

Councilman Dillard pointed out the city has quite a few assets, mostly land to sell on the waterfront. He understands that situation is tough.

Gay Lee, Forsythe Place, remarked these tax increases are bordering on ridiculous. We can not afford to cover the city's shortfalls. It is not the responsibility of the homeowners to balance the budget. And if it were her responsibility, she would like to know what she gets in return for dishing out all of this extra money. At Price Chopper she gives money and she gets something in return. Here she is not getting anything in return. What do we

get in return for a 41% tax hike? The City needs to provide better services for the homeowners who have to pay high taxes.

Lisa Piperato, Newburgh, asked the council what is going to happen to all of the people who can not afford a 41% increase in taxes. How do we solve the problem if no one pays taxes? How are we going to continue to lay off people? She just lost her STAR rebates. The taxpayers have to give. Now what are you going to give in terms of leadership? The people are not hearing anything from their leaders.

Acquaentta Wright, North Miller Street, mentioned in New York City they have a program in which the City of New York handles the collection of actual rents. New York City also repairs the properties it owns that need to be fixed. Perhaps we could look into this for Newburgh. She knows the City of Newburgh owns some properties. She wonders if tenants in those buildings are paying rent. We need to make sure they are paying? Also are the buildings up to code? Next, not-for-profit organizations that are tax exempt should still pay for police and fire services. This would be an additional source of revenue for Newburgh. She recalled a former city manager spending a pretty penny taking a bus load of people to Vermont to study land trusts. We have a history of giving stuff away. We have to find other ways. Also it is sad to see that the people who have an actual desire to stay here and work for the city are usually the first ones cut from their positions. The residents often get stuck with the people who sit around and state that they can not be let go because of the tenure and seniority stated in their contracts. Last, when someone is trying to do the right thing city staff should try to work with that person. She tried to submit her permit application for next year's Jazz Concert Series. You would think that people would appreciate it being submitted in a timely fashion. On the contrary she was told by someone in the office "It is too early to submit."

Stephen Ruelke, Grand Street, remarked he was sorry to see the way the council members talked to each other. Recognize that you are all good people. He pointed out that the mayor has to be the leader. Mr. Ruelke does not believe that the mayor was quoted right when he said, "[I] had [my] three votes." There are five persons who represent the entire city. He appreciates Mr. Herbek's willingness to reconsider his salary. He would like the council and city manager to talk to its employees, because morale is in the toilet. You have to show us you get it and you are capable of moving us forward. We can not go through another year of this.

Mike Curry, Grand Street, pointed out two IDA members sat with Ms. Kane and reviewed every document with her concerning the West Street reimbursement. To give one person full credit is not right. Also he pointed out some of the other remarks that were made: a subdivision is not recorded with

the assessor; there currently is not and there was not a succession plan and the knowledge of funds in city coffers. He stated the problem is with city officials. You guys have to meet twice a day and night, if necessary, to figure out a way out of this mess without all the bickering.

Brigidanne Flynn, Norton Street, commented we are looking to the council to steer us out of the storm. There are many people in this city who care. They volunteer and give up their time and money for many things in the city. You can not squeeze money from a stone. There is only 30% of homeownership already. We would like to have that percentage higher. Through the years everything we have tried has failed. Let's start thinking outside the box. Newburgh is a unique and diverse place. We need to think about what is going to work for Newburgh. Second, she noticed a position was filled, in which an employee currently makes \$80,000- \$90,000. That is two positions that could be saved in our more critical services. Perhaps management should be cut. Why are we paying high salaries for non-performance when there are hard working people?

Janet Gianopolous, Newburgh, commented that she was not here this time last year. She has a hard time believing there are limited prospects for improvement. We have to live within our means. She thinks that some people are not working up to their ability. The city should look at levying a non-wage tax for non-residents. Perhaps this might cause people to think about buying in to the city.

Lillie Barton, Newburgh, pleaded with the council to have compassion. This is what we need in our city today. She reiterated Ms. Bell's comments of being proactive when it comes to people faced with the prospect of losing their homes. She does not understand how the city can refuse to let someone come in to pay their taxes. She came in to pay, but was told she could not pay the substantial amount of delinquent taxes because she had to pay a water bill first. If there was one regulation for the city to consider it should be this one. It would take away a whole lot of anguish. How are rules like this going to help people retain their homes? How dare we adhere to this when people are struggling!

Mike Gabor feels council members continue to give excuses for not continuing the search for city manager. Why were those two individuals brought here and interviewed in the first place? We just wasted their time. The two candidates who were interviewed talked to some of people in the community, and then they were ignored. Who is really worried about being controlled? Second, he finds it is ironic that we are honoring Pastor Rosey tonight for stepping up to the plate in her endeavors in the community. Yet the city is spending \$77,000 of CDBG funds to pay the salary of someone whose

position is redundant. According to City Charter the Director of Economic Development already has that job. And yet we talk about fiscal responsibility!

Timothy Hazell, Newburgh, stated that we should use the rental on Washington Lake as a fishing site. This could help generate revenue and perhaps save someone's job.

Denise Ribble commented doing a budget is not the same as doing a business plan. The city does not do property disposition to well. We can be successful if people are willing to commit themselves. Something struck her when she saw the presentation by PACE. Everything PACE mentioned to put these buildings back on the tax rolls had also participated in some kind of plan to develop an equitable community. She asked our elected officials to commit themselves to more than the budget. There are tools to help us reach that prospectus for improvement. She is grateful to hear that follow-up is going to occur. A good planner develops a plan and does follow-up.

Marietta Curry recalled last year the city manager had asked the public for input and ideas for generating revenue. Many ideas were brought forth. Here we are a year later. None of the measures have been taken. Instead the taxpayers have to fork up another 41% in property taxes. We could start with the \$160,000 salary. She fees if a person has some compassion then he would not need to ask the council to review his salary. Second, interns are being paid for which their positions have not been budgeted. She understands that the city had to hire a previous city employee to assist the tax assessor. Why are we paying such a high salary to someone who does not have the background in taxation? But yet all we can say is 41%.

Roxie Royal, Farrington Street, stated the comments are repetitious because we all say what is important to us. Another tax increase is proposed for 2011. We have not swallowed the 2010 budget yet. A 41% increase has been proposed and there are no jobs. The only way you can pay your taxes is if you have a salary that allows you to. Most of the people presenting these increases are making money already. But you have low income people who have worked hard to try to acquire a place to live in. The residents can not blame the employees who have to follow the rules. Maybe the people of this city should do a little resolution writing of their own and come together with a plan. Newburgh did not get into this position overnight. This has happened through the years with the buddy-system and unaccountability. There were decisions made right in this building when the council meetings used to be here years ago. We need some change.

Susan Smith, Newburgh, has been a resident here for thirty years. She has been reflecting on a lot of the issues brought up tonight. It still remains a

fact there are no jobs and there is no revenue coming into the city. It seems to her some people want to see the First Source Hiring ordinance fail. Our people are suffering in the city. If the taxpayers are met with an increase then the rents are going to increase. People are going to end up homeless. None of the revenue is trickling down into the community. The waterfront revitalization was a great idea. But we should have built a shopping complex there. People come down there and park their yachts. We could have generated over \$1 Million.

Charlotte Mountain, Dubois Street, commented as soon as you lay off people who live here in the city, the quality of life decreases. You are putting the burden on the backs of the taxpayers. A percentage of people will lose their homes if the taxes continue to increase. Another percentage will sell their homes. Who are they going to sell their homes to when the garbage is piled sky high? Will you come to live here then? She does not know when things are going to get better for the people here. Are you going to be making personal loans in order to obtain the 41%? And speaking of the rehabilitation loan program, what are you doing for the people who applied for that loan. Have you converted those loan applicants to grant applicants? What is this program called now and can you tell us anything about it?

Harry Brown, resident and member of the Fiscal Advisory Board, understands it is a hard thing to present tonight. But he feels the info should nonetheless be disseminated to the people. It was urgent for the city to go to deficit financing. When fiscal advisory members sat down, they knew it was imperative to at things closely if they were going to try to balance the budget. The last thing the fiscal board wants is to have the taxpayers carry the sole burden. Decisions have to be made in which everything across the board has to be cut as a total package. This is what has to be done if we want to fix the budget.

David Kenan, Town of Newburgh resident, commented the city should reach out to try to bring more businesses in the downtown area of Newburgh. He has had a very successful business in downtown Newburgh for 7 years. One of the main reasons people don't come downtown is due to safety. He is not putting anyone down, but we have to step up our efforts in keeping people off the streets. Many times he walks outside his door and there are drug dealers and prostitutes. His customers sit in their cars because they are too afraid to come inside his office. His brother, who works for the New York State Police, has told him it is rough out here. He works with our local police and witnesses the safety issues at hand. Newburgh cops are not safe. Once we get a handle on the safety issues we will be in better shape. Next, we should not state there is only one person for the job as acting city manager. It is important to recognize there are other people for the job. When we say things

like that it makes someone think you have something going on with that person.

There being no further comments, this portion of the meeting was closed.

FURTHER COMMENTS FROM COUNCIL

Councilwoman Angelo commented this is the time of year when work needs to be done on peoples' homes. She urged any persons interested in the home weatherization program to apply. Also rehabilitation loans are being accepted. She updated us on the work on Washington Street. They have been working there for three months. New water lines are being put in. All of the properties on the street along with the Activity Center will have clean drinking water. The repaving is set to begin next week. She would like to take some action on all of the posters tacked onto the poles. She has often stated Broadway looks like the Bronx. We need to pass an ordinance. This does not enhance and beautify Newburgh. She announced the upcoming Citizens Advisory Committee meeting on September 30th. Mr. Lynch from the Planning office will be a guest speaker. She thanked everyone for their comments.

Councilwoman Bell feels she was incorrectly characterized as someone who likes to bicker. On the contrary she is not a bickerer. She asks herself why she took this job three years ago. She recalled her statement when she was a candidate for political office. This is what she stated: *I would work to restore integrity and accountability in the city.* She has been working for transparency from the start. She can not remain mum about things that are inappropriate and unethical. She owes that to the people who voted for her and also to the people who did not vote for her. She stated if she tells you she has your back then she is not going to desert you. She has a problem with decisions being made without the consultation of the council as a whole. Decisions seem to be made based on what somebody decides he or she wants to do. She wants a participatory and open government process. There are very bright, creative and intelligent people right here in this community. No one sitting at this table has a monopoly on brain power.

Councilwoman Bello commented if the budget is implemented with these proposed tax increases, then this city is going to be devastated. People have already taken a hit with a 40% increase in water fees. It is out of touch with the reality of the average salary of the residents. We can not pay what we do not have. 90% of this budget is mandated by contracts. She pleaded to the unions the people of this city have no more money to give. Second, she compared the city manager search to a classic-bait-and-switch strategy on the taxpayers of the city. She feels some of her fellow colleagues have no regard for the opinions of the other council members with regard to ethics, process, contracts or the law. It is not our job to take what a city manager gives us. It is the job of this council to check everything the city manager does. It takes energy to change. The problem must be identified first. Instead of looking at things through rose colored glasses, she prefers brutal honesty in matters. She and Councilwoman Bell have worked hard to provide open government and

transparency. The letter to the paper was written to promote transparency. You can not tap dance around the truth. She understands she may be unable to change the minds of the majority of the council. But by keeping the people informed she is giving them knowledge. This is the whole premise of open government, so that the people can retain control over their public servants. Success is never going to lower its standard to us. We are going to have to raise our standards to success.

Councilman Dillard remarked if Councilwoman Bell and Councilwoman Bello really believe there has been backdoor dealing, then they should take the issue before the New York State Board of Ethics.

Mayor Valentine pointed out this is only a preliminary budget tonight. It is not even the proposed budget. It now falls on the council to work with city manager and department heads to tweak this budget in whatever way they can. It is not a done deal. Even the search for a city manager is not a done deal. Really it is not for him to convince people to believe anything, because he knows people have already conjured up ideas in their own minds. He pointed out one year ago none of them even knew who Richard Herbek was. Mayor Valentine feels a lot of people are narrowly focused if they continue to believe that he and some of his colleagues have been plotting in this overall plan to keep Mr. Herbek here. He remarked when they work as a council majority, it is all about who is going to run this city day-to-day to get us through the mess. We have a chosen a qualified and expert city manager with over 30 years of experience. Rick Herbek could be anywhere he wants to be; he does not have to be here.

There being no further comments, the meeting adjourned at 10:30 P.M.

KATRINA COTTEN
DEP. CITY CLERK

