

November 30, 2015

City Council

Proceedings by Authority

State of New York

City of Jamestown

ss:

City Council Chambers

A public hearing of the Mayor of the City of Jamestown, New York was held on Monday, November 30, 2015 at 9:00 a.m.

Others Present: Executive Assistant to the Mayor Matt Hanley

Mayor Samuel Teresi called the Public Hearing to order and asked Director of Financial Services/City Clerk James N. Olson to read the public notice.

201511D00.01

NOTICE IS HEREBY GIVEN that the Mayor of the City of Jamestown, New York will hold a Public Hearing at 9:00 a.m. on Monday, November 30, 2015 in the Police Training Room, Fourth Floor, Municipal Building, Jamestown, New York to consider the following Local Law:

LOCAL LAW NUMBER 1 OF 2015

A local law authorizing a property tax levy in excess of the limit established in General Municipal Law §3-c

BE IT ENACTED by the City Council of the City of Jamestown, New York as follows:

Section 1. Legislative Intent: It is the intent of this local law to allow the City of Jamestown to adopt a budget for the fiscal year commencing January 1, 2016 that requires a real property tax levy in excess of the "tax levy limit" as defined by General Municipal Law § 3-c.

Section 2. Authority: This local law is adopted pursuant to subdivision 5 of General Municipal Law §3-c, which expressly authorizes a local government's governing body to override the property tax cap for the coming fiscal year by the adoption of a local law approved by a vote of sixty percent (60%) of said governing body.

Section 3. Tax Levy Limit Override: The City Council of the City of Jamestown, County of Chautauqua, is hereby authorized to adopt a budget for the fiscal year commencing January 1, 2016 that requires a real property tax levy in excess of the amount otherwise prescribed in General Municipal Law §3-c.

Section 4. Severability: If a court determines that any clause, sentence, paragraph, subdivision, or part of this local law or the application thereof to any person, firm or corporation, or circumstance is invalid or unconstitutional, the court's order or judgment shall not affect, impair, or invalidate the remainder of this local law, but shall be confined in its operation to the clause,

November 30, 2015

sentence, paragraph, subdivision, or part of this local law or in its application to the person, individual, firm or corporation or circumstance, directly involved in the controversy in which such judgment or order shall be rendered.

Section 5. Effective date: This local law shall take effect immediately upon filing with the Secretary of State.

Samuel Teresi

Mayor

Publication Date: November 20, 2015

Mayor Teresi asked if anyone present intended to speak for or against the Local Law Number 1.

201511D00.02

Doug Champ 225 Bowen Street: I'm here specifically to address this required public hearing. First of all, I feel like the timeframe of this public hearing is kind of against the opportunity for citizens to ask questions and have commentary. I think a better timeframe would be in a time when people are more able to be here as witnessed by how little the attendance is. But you have the right to set the time and the date for that so it is what it is. Also, according to what I've researched out, there is a citizen guide to the property tax cap. This property tax cap requires a public hearing when it's over writ by 60% of the vote. However, the issues in front of us in this community are one of citizens' participation and the requirements for that local law – and I'm reading this – “the local law that precedes the vote on the local law as well as a budget meeting preceding a vote is a chance for residents to educate themselves as to why their elected officials believe they must exceed the cap. It also is a chance to question elected officials on what decisions they are making and to be heard on what services are important to the residents in the local city and what they may no longer be willing to support”.

Now, this is not an easy venue to do that because as I understand it, even though there's supposed to be dialogue, and maybe there will be forthcoming dialogue; according to the citizen's guide for tax caps, that's got to be a process that should be instilled within the public hearing. Whether or not that happens; because there is no dialogue also when we step in front of City Council, so the issues at hand require, in my point of view, a more aggressive way for citizens to participate when the tax rate is going to be increased. Now our state legislator, Senator Cathy Young, sent out this flyer to all the people living in the City of Jamestown. Tax Cap Renewed: a Victory for Middle Class Families, Property Tax Rebates Checks to Hit the Mailbox. We did it, major property tax relief; but not in Jamestown. So where do we go from here?

I have suggested in the past, points of view about opportunities. The only way we're going to have an economic development plan that works in the City is to have one that engages its citizens. We must take a look at our options and reexamine our priorities. There also is opportunity in this community, which we've tried to engage on and maybe it's happening behind the scenes, but there must be citizen involvement with this when we're talking about efficiencies and government mergers. There is also an opportunity for the residents of the city, who are voters, to apply for dissolutionment of the city. That's an option that's out there if they feel that we are no longer able to afford this. Now we are at 94.6% of our constitutional tax levy now.

November 30, 2015

Supposedly, there's going to be another 4% increase in our taxes. That raises it up to 98.6%. So next year, you can only raise the taxes up approximately 1.3% or thereabouts and not have any additional increase because there isn't any more money. You have the option to go after the Board of Public Utilities, the Jamestown Enterprise Account, and that account has often offered great opportunity I guess to attach it to the City General Fund.

I propose that the city look at how the citizens can actually interact with the elected officials. I request that the Mayor establish a citizen advisory board to work with the Mayor and City Council on our future. The dialogue has to start now. We can't think about a budget in October. We have to think about our budget and our future on January 1. So I could sit here and complain as a citizen or I can sit here and ask to help; so that's what I've tried to do and trying to present here. I've given options before. I will give more opportunity back to the elected officials who represent me and I have a difficult time sometimes to understand that nine people have all the right answers. So based on that, I look forward to any dialogue that's actually offered at this public hearing, or is this a one way discussion?

Mayor Teresi: I'll ask for other comments and then I'd be happy to address any points that you made and inaccurate statements that you made. Mr. Trantum?

201511D00.03

Todd Trantum: Good morning. Todd Trantum, I'm here representing the Chautauqua County Chamber of Commerce and Manufacturers Association of the Southern Tier, 512 Falconer Street. I reside at 5639 Rivulet Avenue in Maple Springs and also own residential property at 345 Crossman Street in Jamestown. Mayor, you've got a hard job. Council has a hard job. Being an elected official is a challenge and I think being an elected official in a distressed situation probably compounds the challenges of being in an elected position.

Having said that, we are very concerned about the distress that the City is in; the city is an important component of our local economy, but our regional economy. We need strong cities to be a strong region. We've got two cities in our county that are facing some pretty significant challenges and we're very concerned about that as a business community. We've got, out of our 1,000 members about 300 that are domiciled in the city and value being here and want to continue to look at opportunities to grow and grow the tax base and grow jobs, but it's becoming increasingly difficult with increasing property taxes and increasing utility fees and a variety of other challenges in doing business in New York State. So we're concerned. We're concerned as the city reaches its constitutional tax limit and what that may bring to the community. We're concerned about the situation here in terms of exceeding the tax cap. Obviously the way the laws are structured in New York State currently, there are rebate check opportunities for residents and that's an opportunity – it's going to be a missed opportunity to bring some money back into the economy to help families that probably need the money as well as those on a fixed income. As you know, those dollars get recirculated into our economy and into our businesses which is concerning.

I think overall our question is what is the plan? We're asking for is there a three to five year financial plan, a three to five year economic development plan that supports that three to five year financial plan. A three to five year restructuring plan that helps support that financial plan and ultimately, what is our pathway out of this situation? We've communicated to the community that we've kind of hit the wall in terms of taxation. So what are our options and what

is the plan and where is Council in terms of working with you and the rest of the community to figure out the pathway and the map forward to preserve this great city? Thank you.

Mayor Teresi: Thank you. I will ask are there any other folks – Mr. Sample, Mr. Hanley, Mr. Olson, you're a member of the general public is there anything you'd like to say? Okay I just want to make sure that we cover all the bases. Thank you both for your valued comments. I respect your concerns. I probably share all of your concerns and then some and as always appreciate your input and your willingness to help as we work together on a variety of fronts over the years.

Just a couple of things to clarify: Mr. Champ you asked if I would be willing to provide some feedback. Normally I wouldn't do this as part of a Mayoral Public Hearing on a local law, but I'd be happy to because just to clarify for the record and also for the public that is here also represented by local media. First of all, this is a public hearing under the general municipal law required of every chief executive officer of a city in the state of New York when a legislative body duly passes a local law. The local law process requires, in the State of New York, that the legislative body introduce the local law, table the local law for one meeting and bring it back and take action on it unless the chief executive officer of the municipality issues what is called a message of necessity. That can happen at the state level and has happened at the state level, most recently and notably with the passage of the Safe Act where the governor was petitioned by the legislature to issue a message of necessity to allow them to act on that law immediately as opposed to tabling it for an extended period of time. That can happen and does happen on a routine basis at the county level and obviously here also at the municipal level. Again, typically the Chief Executive Officer issues the message of necessity, requesting and empowering the legislative branch to act upon that law immediately as opposed to tabling it for a thirty day period. That was the indication that I had received from the City Council and I did issue that message of necessity allowing them to act upon Local Law Number 1 of 2015 at a special voting session that they held, I believe it was on Monday November, 16th. That meeting was publicized through the media, through the required legal notices. I believe it was covered extensively by the media that the property tax cap local law was being contemplated to be exceeded and that the Council was holding a special voting session to deal with that and I do believe there were members of the general public that were there that commented on the Council's action. So the implications that the City Council kind of did this in the passage of night, without public notification and without opportunity for the public to comment on their action to pass Local Law Number 1 to exceed the property tax cap I think is a little bit inaccurate and misleading.

The council, I believe by a vote of seven to two that night, which was above the 60% requirement of both a local law being passed with a message of necessity as well as the 60% requirement to exceed the tax cap was met. Again, in a duly called, advertised, publicly covered, publicly attended meeting of the Jamestown City Council, again on November 16th. Again, the purpose of this public hearing, as it would be for any local law, the chief executive officer of the municipality, after the local law is passed by the legislative body and as part of his or her deliberations as to whether to sign or veto that local law must hold the public hearing to hear the citizens' input. This public hearing was duly advertised, the public was duly noted as evidence by folks' attendance hear today. We've talked about it openly. I've talked about it openly in the media. We've talked about it openly at City Council meetings and this public hearing was reported in the media as a result of those open conversations. The record was left open for people to communicate via mail, telephone, personal visits to me at my office as well as my electronic

communications and that record stays open right until the time that I decide whether to veto or to sign this local law. Again, I just wanted to clarify what the process was. I believe that the local law process has been followed to the tee, both in letter and in spirit and I believe that the process to exceed the tax cap has been followed to the tee and this isn't the first time that we've done this. I believe this is the third time that we have passed the local law empowering the City Council to exceed the tax cap, as called for by general municipal law section 3-c. Two previous times I did sign the local law after it was passed. I can't remember if it was passed with a message of necessity those times or not with a 60% plus majority. After the public hearing was held and I did sign the local law on those two instances as passed by the City Council. What I do with this local law is my determination that after listening to public opinion, after contemplating the situation and after seeing where the City Council is tonight with any possible further budget amendments, I will make the determination as whether to empower the Council to exceed the tax cap with the signature of Local Law Number 1.

As I indicated at the time that the special meeting was called in a public session as reported in the media, this process is being held such that the window remains open for the City Council to make any adjustments to the budget right up until the time that they walk out on the floor and although that may or may not be the case, if they can come up with additional ideas to reduce the tax levy and to reduce the tax levy specifically underneath the tax cap, that opportunity exists and if there's no need to sign Local Law Number 1 because there's an indication that that's going to be the case, then I won't sign it. If it's apparent that they are unable to do that, we are unable to that together, then it will be a necessity in order to make it a legal budget to sign Local Law Number 1 and to enable the tax cap to be exceeded. That is the background on the case.

Just to clarify a couple of other points: The constitutional tax margin is not merely taking where we are at a percentage of that today, adding the percentage of the tax increase and then that bringing you closer to the 100%. The constitutional tax margin, Mr. Champ, Mr. Trantum and members of the general public is actually something that exists as indicated by its name in the state constitution and what it limits is local governments across the state to having a total tax levy that is 2% of the total taxable value within a community over a five year average period. So it's not just what the taxable value is today in the City of Jamestown and applying 2% to it. It is based on a five year average of our total taxable assessment. Right off the top of my head, there's about a billion dollars of assessed value in the City of Jamestown. About \$665 million of it is taxable. The remainder of it is exempt in one category or another; including power plants, including water systems, roads, bridges, parks, schools, community colleges, churches, United Way tax exempt buildings, other buildings owned by tax exempt entities. The vast majority of that is property that is owned by the government; whether it be school buildings, municipal buildings, DPW garages, \$105 million power plants, water systems, district heating lines through the community. The vast majority of the exempt property in the City is government owned property. There is an amount of it that is religious based, not for profit based, community based, but the majority of the exempt property in this city and most cities is actually owned by the people, the government. In this city it's higher because the citizens, the taxpayers of this city actually own the electric company. In most other communities where the citizens do not own the electric company, and specifically an electric company that generates power, the last time I checked we were one of about three or four MUNYs in the State of New York that actually generate power and we're the only city in the State of New York with a MUNY that generates power. That power generation, whether it be the two power plants that we have or the backup

district heating generating system we have maintained a lot of value to them, but is off the books. In other communities, those assets would be on the books and would be contributing to the constitutional tax margin.

But the constitutional tax margin, again, is 2% of the five year average of all the taxable property within the municipality. With a variety of exclusions that can be factored in. Then you take a total levy and apply it to that dollar value of the margin to determine where you are at in the percentage base. You simply do not add year to year of the tax increase onto it to determine your percentage of margin. In the case of Jamestown, right now we are about 94.5%, but that amount is skewed. It is skewed as Mr. Trantum has indicated on the basis of a weak economy with slower appreciating property values than what you have in other municipalities. A lot of places have a moving, growing tax margin because the value of their properties are going up every year because they are appreciating and the assessor is changing the assessment on those properties on an annual or a periodic basis.

We are operating at 100% of full value assessment in the city. Those values are being checked on a spot basis every year and there are certain areas of the assessment rolls that there has been some marginal appreciation, namely in the residential sector. There isn't a lot of movement in the commercial sector or in the industrial sector where a lot of the properties are exempt or already under County IDA pilots or under reduced assessment. We have had some areas where there has been some marginal growth, but not enough where the assessor can go in and adjust the assessment on the properties as is the case in other municipalities in Chautauqua County like Ellery. Mr. Trantum's probably had a couple of those adjustments in his assessment because property values are growing in lakeside based municipalities more so than they are in the older industrial cities of Chautauqua County or towns or villages.

So there are opportunities to move that tax margin. One is through growth of assessment either by periodic re-vals or new additions to the assessment. We did see a small \$100,000.00 increase on our \$665 million taxable rolls this year. New development can happen or there can be additional infusion of income into the budget that reduces the amount of the budget that has to be paid for out of property taxes. And then there can also be additional cuts in expenditures that could reduce the levy and that's exactly what we are working on on all three fronts. We are trying to get growth in assessments through new development within the city. We are trying to stimulate new forms of revenue so that less of a percentage of the budget has to be paid for through property taxes, thus keeping the levy down, thus keeping us within and hopefully below the current level of the constitutional tax margin that we are at. New forms of revenue can be other forms of fees, they can be payment in lieu of taxes that are voluntarily made such as our friends at Lutheran do every year with the voluntary payment that they make on the Lutheran campus up on Falconer Street and the voluntary payment through an agreement that we've recently negotiated with them to pay a tax equivalency payment on four of their senior citizen residential buildings. On Crane Street, Chandler Street and North Main Street where they are phasing in full tax payments, voluntarily on those buildings. So we're working the revenue side of the equation.

We're also trying to work with our friends at the state government level. There's been a lot of talk in recent years about school aid needing to be adjusted and it does need to be adjusted; through things like the gap elimination adjustment. Through having a fairer system to make sure that small urban school districts are being aided at an appropriate level versus a lot of the wealthier down state suburban districts. But the last adjustment that local governments received in New York State in unrestricted state aid was in 2009, 2010 where many of us took close to a

10% cut in municipal aid. Last year in the State of New York, the legislature and the governor added \$1.4 billion, that's with a b, in school aid to roughly 700 school districts across New York State. For the sixth year in a row, the 548 villages and the 62 cities, including the City of New York, did not receive any increase whatsoever. With no measurable adjustment or decreases in state mandated services at the local level. In fact, all 548 villages and 62 cities, including the City of New York, shared a total of \$720 million of aid, municipal aid. That is less than half the level of increase that school districts – increase that school districts received last year.

If you want to talk about tax relief in the State of New York, it's time to start talking to our leaders at the state level that it is unconscionable that with no changes in mandate in this state that there has been no adjustment in general purpose state aid to local governments, including the 62 cities of the State of New York that have unbelievable mandates. There's been no adjustment. So the second area to address the constitutional tax margin is by developing other forms of revenue which we continue to work very hard at doing. The third form that we're also working very hard at dealing with is cutting back on expenditures. That has been done and we're continuing to do that and will continue to do that. The face of this municipal government, and this is not a statement meant to break my arm patting myself on the back, it's been the product of the work of a lot of people, starting with every member of the City Council that I've worked with over the past 16 years, members of the general public where I've had a citizen's advisory committee on the budget in past years, very instrumental in helping to come up with new ideas and putting together a multi-year restructuring plan that we are still operating under and making great strides under where we have cut back the operation of the general fund government in the city quite extensively.

But it's difficult to see the net impact on expenditures when things like contracted health care benefits for retirees and their dependents that date back to 1986 that we can't unilaterally step up and change because of state mandates known as the Taylor Act, binding arbitration and the Triborough Amendment to the Taylor Act preclude us from unilaterally going in and replacing or changing health care benefits to members of collective bargaining units. Those can only be changed via negotiation and there's been significant changes negotiated over the past 16 years to the self-insured health care program that the city operates on behalf of about 700 individuals now, of which two-thirds are retirees and their dependents. So there have been major changes in the structure, the size and the operation and the functions of city government that when you were seeing record level increases in health care expenditures that we cannot change.

And a 3000% plus increase in payments to the state retirement system. When I came into office, Mr. Champ, I think that the total payment including covering the employees of our public utilities, managed by the Board of Public Utilities was about \$128,000.00. Next year it's projected to be over \$3.5 million. When you're seeing increases in areas like that that you cannot affect, that are provided for through unfunded or underfunded state mandates, you're limited as to the impact as to what can be accomplished.

But even so, through the efforts of past and current City Councils, members of my administration and the workforce over the years, total city employment has been cut back by over 20%. That's not positions on a pay list, those are actual paychecks and that 20% is applied pretty evenly across the board to all departments, except a couple of areas. The area of the city's Urban Renewal Agency, Department of Development, which has seen a 35% cutback in its employment level and also upper level management positions which has seen a 58% cutback. That's right. When I came into office we had 13 appointed city officer department head positions. We now have 5 and a half. We are working from the cost side of the equation, we are

November 30, 2015

working hard from the stimulating other revenue side of the equation and we're also continuing to work hard from the development side of the equation and making sure that assessments are updated, including undertaking the first comprehensive re-val of assessments back in 2006, 2007 for the first time in over 3 decades that brought assessments into reality and into fairness and picked up a lot of assessment out there that had been added under the radar screen for over 3 decades. We will continue to work on all of those fronts.

Mr. Trantum, the plan exists, it still is in place. We're still working the plan. We continue to add to the plan. To answer your question, the City Council is on board. I believe that unlike in a lot of other governments, some of them even locally, certainly around the state, certainly around the nation, certainly the best example is our own federal government in Washington where you have a disconnect and a dysfunction between the executive and legislative branches. We do have our differences from time to time. We work through those differences. Sometimes we have to agree to disagree, but on more occasions than not, people are working at Council chambers and at that table in my office as Jamestowners, not as Republicans and Democrats and Conservatives and Progressives. I'm proud of that and I'm thankful for that and I'm appreciative of that to my colleagues and we're continuing to do so.

The plan was actually adopted back in June of 2000. That plan has continued to be worked, is being worked today and has resulted in 76 modifications to the city government, regionalization of services, collaborations with the county and our neighboring communities, restructuring of departments, elimination of departments, elimination of functions within city government that has resulted in a recurring savings of \$5.6 million a year of the tax payers of the city. That plan is still in place, we continue to work that plan, we continue to modify that plan and as I've eluded to in the presentation of the budget and I've discussed in previous council meetings and I have discussed at Board of Public Utilities meetings, there are some additional things that are in the planning and development stages that we look forward to bringing out maybe not as a whole package, but item by item by item in the coming months as they are ready to be brought forth. Some of them are known such as the discussion about contracting for public safety services with the county that we are in the final stages of a multi-year effort looking at the feasibility of that and coming up with a model for that. I'm hoping and looking forward to bringing something out after the first of the year at both the City and the County level to have that reviewed. And a variety of other things that we've been working on for quite some time that are not quite yet ready to bring forward, but we look forward to the opportunity of bringing them out for public review and discussion in the coming months and welcome people's input to hopefully support that can have a positive impact on the expenditure side of the equation. That could have a positive impact.

So with all of that being said, I will be looking carefully at where we are at this evening on the budget situation. If there is a need to exceed the tax cap this evening, I will be signing the local law to make sure that the budget that is passed this evening is legal and in compliance with general municipal law. If by some chance, the Council members individually or collectively before we go out on the floor are able to come up with legal, achievable, and realistic adjustments to the budget that brings us below and within the property tax cap, the .71% property tax cap for the State of New York, I will be vetoing this law as there will be no purpose or necessity for it.

But right now, to be totally honest with you, I'm a little bit from Missouri on this one and have to be shown that we're able to come up with adjustments to this budget at the last minute, with the level of 365 day process and Mr. Champ, I will point out the fact that this is a 365 day

process of putting together budgets. Same way as within the NFL, it's not a seasonal career that you start getting in shape during training camp and play the season and then you take the rest of the year off, it's a 365 day a year budget process for the City of Jamestown. We work on it every single day of the year. It's not just a 6 week process in the fall. We'll be looking at this. If there are realistic, achievable and legal approaches to bring this within the tax cap, I will be vetoing this law. If not, I will be signing this law and then we'll be setting out, reviewing the budget that the City Council passes. I will anticipate that they pass this evening. If it appears that they're unable to pass a budget this evening, our City Charter was amended about ten years ago to ensure that we would never have a late budget again in the City as had been a problem in years past from time to time and if the Council fails to pass a budget tonight, our charter provides that the executive budget that was delivered on October 7th automatically goes into effect tomorrow. If that appears to be the case, I will have no choice but to sign this local law to allow us to exceed the tax cap because that executive budget was in excess of the tax cap.

So that is the status of things. I appreciate your input, your comments, allowing me to address some of those items and again we'll be looking very carefully at where things are heading throughout the course of the day and where things end up this evening. Mr. Champ you said you had another point?

Mr. Champ: I believe that we're all in this together. I don't look at it as an adversarial role here. I want to make that point clear. Sometimes when you sit on opposite sides of the table and look at one another in a different frame of mind, but I've been around long enough to understand that. The question that I have too and I have a few of them; does the City of Jamestown have a community efficiency plan as required under the tax guidelines for tax cap freezes? The reason why I ask that is it's kind of critical in tying in that to all the efforts that are going on and also to substantiate, should for some reason, 2017 be in a position for a rebate position. And if you don't have one, I would hope that you would get one and then that gives a really great platform for citizens to actually understand the efficiency process of what that is. That's one question.

Mayor Teresi: Okay. Do you want me to answer them one at a time?

Mr. Champ: Mayor, whatever you'd like to do.

Mayor Teresi: Just to address them one at a time. Yes we do. We actually have two forms of the Community Efficiency Plan as called for under the tax freeze program. The first one is; we were one of the initial participants in the State's Financial Restructuring Board program where we have a ten member restructuring board. It's a voluntary program with recommendations that are provided kind of as the precursor to a state imposed control board that we hope to continue to fend off and avoid and a plan was put together in conjunction with that financial restructuring board which is a public entity that operates in public. It's a ten member board that is appointed jointly by the governor and the legislature to help communities like Jamestown come up with additional ideas for efficiency, restructuring, collaborations and that plan has been developed publicly. It's on the internet. I believe there's a link off of the city's website to that and that plan is out there and available for the public to review, comment and provide input on.

The second form of the community efficiency plan that we have, we are actually part of the countywide efficiency plan which is an umbrella plan that takes under its umbrella every and

any municipality within Chautauqua County that wanted to participate in that public process of that county efficiency plan. On both fronts we meet the requirement of the tax freeze program of having such a plan in place.

Mr. Champ. The other aspect is that you recognize and we recognize, and not to speak for Todd, is that the economic value of the City is in a critical stage. That has happened for a lot of reasons of which you kindly stated to us. However, how do we obtain and increase value and one of my efforts has been trying to reach out to other places and find out if they're interested in coming to Jamestown. And what I mean – not just places – places that are interested in our assets. I strongly believe that we have to mount a much more aggressive campaign, using our utility assets to attract those that are interested in some of the most necessity things that we could have; water, that's always available, electric rates that are managed through a municipal utility and also can transfer hydroelectric cost override to that and purchasing power on the grid on as an equation advantage and of course our using thermal energy which is quite frankly something that hasn't really taken off since I left.

So as I travel, and I don't mean to go on as me as a citizen and what I do, is that I want to interject opportunities and I believe we need to sell our assets on a national level if we're not doing that already. I see no evidence that we're doing that because there are industrial areas research and discovery areas, hubs of that type of service that would greatly benefit by having what we have to offer so I would suggest that we mount an economic development plan initiative that looks at – and I know you're working on it, I know you have worked on it, I know that it's not lost in your mindset – but I don't see it as an effort to go out and recruit new opportunities in the form of manufacturer jobs on that level. I mean it's that level that we're coming to now that we have to attach to so I would like to see that focused on because we have something that a lot of cities don't have and believe me, I've travelled the last 12 years around, talking to other mayors, talking to county executives, legislators, because I have an interest in all of this and I believe there's an opportunity for that to happen. Whether it's created already or we need to make one. And I would strongly suggest that that be done this next year.

Mayor Teresi: I couldn't agree with you more on that. Within the past two years I've called for, and through the Board of Public Utilities, they've engaged in a process to have our utilities more actively and aggressively involved with the marketing and the development initiative on a regional basis here specifically to help promote investment and development in the City of Jamestown, the people that own those utilities. One thing I will point out to you, it needs to be a regional basis because our nine square miles is not the focus of outside development potential nor should it be and one of the things that my predecessors did in years past under the guise and examples of regionalization was for the city to regionalize at the county level economic development services. We have economic development tools that are specifically allocated to the City of Jamestown. Community Development Block Grant funding, leftover UDAG funding that we used to seed our local development corporation and that we have a structure to operate those programs. It was back I believe, in 1973, 1974 that the decision was made by Mayor Lundine and Chairman of the County Legislature, Joe Gerace at the time for the city to give up its Industrial Development Agency and to consolidate industrial and economic development services at the county level so we work very closely with the county of Chautauqua Industrial Development Agency who works with us and represents us to advocate for investment, specifically industrial investment within the City of Jamestown, the greater Jamestown region, of

November 30, 2015

course their focus is all of Chautauqua County. We are concerned about that. Growth is the number one way to impact property tax assessments, tax levy and tax burden and it needs to continue to be our number one way of doing that.

One area that we need to be cognizant of is making sure that when we do have assets and drawing cards for the city that they be used first, foremost and primarily for the city. Colonel Sanders can't continue to give away the secret recipe and then expect people to buy his chicken as opposed to other chicken of lesser value around him. I couldn't agree with you more on those fronts. You're right, we are working on those fronts, but it is a hard slog because in a national environment where industrial development is in a decline mode, competition is stiff. And the competition is stiff, not just on a national basis, but an international basis. One thing I'm sure that Mr. Tranum would confirm, for those that say that there is no industrial activity in the Jamestown area; they couldn't be more wrong because I believe that our percentage of our economy rooted in manufacturing and advanced manufacturing far exceeds the state and the national levels. Even with some of the challenges and body blows that the region has taken from a manufacturing standpoint over the past 40 to 50 years. It is still one of the leaders, if not the leader in economic impact in the area as manufacturing and that's something that we're quite proud of and we need to protect and we need to nurture even more.

Mr. Champ: I have one final point if I might. In going out and looking at opportunities that are taking place in other areas, other cities, I believe that there are kind of a lost chance to look at not only what other cities are doing, but also funding sources that we're not quite aware of. I know you can't be aware of everything, but there are initiatives going on out there and I'll speak exactly about 2 programs. A program called Cities of Resiliency and what that means is that through the Bloomberg Philanthropic for Cities, they create innovative areas of interest where we can participate; going after outside funding which we don't normally have. There also is a program called City Labs. City Labs is an advancement of that and the Aspen Institute that are happening and the eligibility to us will remain to be seen, but the ideas are there. There is also I believe an opportunity for us to look at how a city is actually funded and whether or not – and I know the State of New York is difficult to have impact fees interjected to some extent. I'm a strong advocate of that type of process when it comes to properties in constant violation. Other places have looked at this, they've accomplished it in different ways whether it's fines or fees like the nuisance ordinance, that type of thing. I think there's a time and place for that to be seriously looked at because as a citizen and other citizens like yourself and all here, we have properties, we try to maintain them at a high level and then all around us we have those that are constantly being attracted to for public safety purposes. I would strongly have you look at how we could then do that plus the reuse of the parcels that we have in the city that are vacant. I believe in other areas, what they call re-neighboring the neighborhood as a theme that's out there so that these parcels can be brought back as home ownership whether they be tiny houses or whatever it would be. I think there's a way to take a look at a larger track area in the city and create that type of base.

Mayor Teresi: I couldn't agree with you more on all your points. We have looked at the Bloomberg Initiative. We have looked at things like the potential for other forms of revenue at the state level. We have looked at the nuisance ordinance possibility in recent days. We will continue to do so and where there are opportunities to plug in on any of those areas, we're certainly open for it and will do so.

November 30, 2015

Mr. Champ: I want to personally thank you for taking the time to answer the questions that I had and I look forward in some way not to be an outside critic, but be a person that can come in and offer ideas and suggestions. I've lived here for 40 years and I don't see myself moving right away so I hope that process can continue.

Mayor Teresi: I take it for what it is and always and still do appreciate any and all input that you can and do bring forward.

Mr. Champ: Thank you.

Mayor Teresi: Mr. Tranum, you have another comment before we...

Mr. Tranum: Yes a couple comments. I sympathize with your challenges with the Taylor Law and the Triborough Amendment However in that the City is self-insured and there are other municipal government entities that face a similar situation. There has been some success in municipalities in terms of managing costs through prevention, through incentive programs, through wellness initiatives, so on and so forth. A lot of municipalities for the last five or ten years that are working with the retirees to move them into Medicare products which has brought some relief. Some entities have had success voluntarily having some collective bargaining units agree to high deductible plan options, particularly if they have a younger workforce that becomes appealing to them because there is a cost savings associated with that. There is a variety of municipal options out there. Some communities have aggregated their needs to buy stop-loss insurance and look at ways of saving costs. It's an area where we do have some expertise so if we could ever be of some assistance around that, we would certainly be willing to take a look at that. I hope some of those things are either being implemented or reviewed.

On the state aid issue, and I can sense your frustration in terms of the aid cuts, however I think to the credit of the governor and the leadership in the Assembly and the Senate, there's been a desire to try to encourage consolidation and that's where a lot of the momentum, the money has been targeted. Despite the fact that there's been some cuts in aid there has been some other incentive for municipalities to try to part. I think from a business community, overall that's something we have encouraged from a policy direction at the state level which we do think is encouraging. I think it's why you're seeing maybe on a smaller scale, the things like Forestville making the decision they ultimately made. I think other communities will soon be following. So despite the challenges on the aid front, I think there are other opportunities that have emerged because of policy shifts at the state level to the credit of the governor.

Finally as it relates to the plan and the plan forward, are there some target growth rates; when we talk about tax base, not necessarily talking about increasing assessments, but in terms of real growth, are there some targets that have been set by Council, by you, by Department of Development over the next three to five years? Are there targets that have been set related to efficiencies and cost reduction and goals around that aspect of this whole formula and what are the goals as well in terms of, as we get into our communities and our neighborhoods in terms of housing rehabilitation, getting properties back onto our tax rolls? I think we'd be very interested because, Mayor, I think there's a perception out there that we're not clear on where we're going and are we measuring where we're going.

Mayor Teresi: In reverse order, yes there are targets. The City is mandated by the Department of Housing Urban Development every five years to put together a consolidated development plan which we just completed last year that's available for public review. It was done with quite extensive public input where there are targets that are set out that we'd like to reach as it relates to housing rehabilitation, removal, improvement and so forth so on.

As far as the growth rate and the assessment, I don't believe that there's anything that's adopted saying that we want a 6% growth rate every year as far as the eye can see in total taxable assessment, but the goal is to see a general positive trajectory over a period of time. Quite frankly, the misnomer out there is the total taxable assessment of the city has been on a deep nose dive for the past 20 years. There had been a downward trajectory once we completed the re-val back in 2007. If you take a look at it there have been losses, there have been increases, but it's remained basically flat over that period of time.

As it relates to the state and offering tools to assist with consolidation, as you know we did receive a \$400,000.00 grant through the state's local government efficiency program for the police consolidation/contract study and plan that we are in the final stages of dealing with right now. We are one of the initial participants in the state's Financial Restructuring Board program as I said before that came out with different ideas and recommendations that we are pursuing with the state right now. We are in further talks at the state level and at the county level as I alluded to before on additional things that I think could have not only a benefit to the city from a cost standpoint, but from an efficiency standpoint on a regional basis that again we're not ready to roll out at this point in time until more of the pieces are in place and we're working with other partners and we have to remain cognizant that we're working with so I can't simply come out and start talking about, publicly, some of these initiatives that we're working on because they're not ready yet, plus we have other partners that we're working with and that we need to work with to continue to bring them to the level.

As it relates to the health care front, the answer is yes on all of those fronts. We've had a good amount of success working collaboratively with our collective bargaining units on making adjustments to the self-insured plan, increasing dramatically their level of financial participation in the forms of out of pocket contributions to the plan, prescription co-pays, which is a different world than what it was 15 years ago when we came in. Again, all negotiated at the table and last year we were able to negotiate with the last of our six collective bargaining units for a really historic change in our program, bringing them all in on a new wellness program that is provided to members of the bargaining unit. It will take additional negotiations to bring their dependents into the program. Right now it is the retirees and the active employees, not their dependents. We weren't able to get that done through the collective bargaining process. That remains a goal of ours and furthermore one of the largest things that we've done is continuing to review with our third party administrator our pharmacy benefit manager, our insurance consultant, the contracted rates that we are getting and some of the changes that we have made the savings have been \$400,000.00, \$500,000.00, \$600,000.00 and we are calculating that the savings have been with new negotiated rates to the providers through changes that we have made in the PBM, the TPA and also going out periodically every other year, every couple of years, for proposals for our insurance consultant's PBM and TPAs.

So working within the negotiated framework that we have to work within, as bad as it is on a cost front from an insurance standpoint, and it is bad, it could be significantly worse had it not been for the initiatives that we have pursued and that we're continuing to pursue. But as I said before all of those have to be done on a joint basis and we can't unilaterally act to make any

November 30, 2015

changes. They all are a subject of mandatory negotiation which has been the case and continues to be the case.

We've also had partners on the labor front with making a lot of these changes because in the public sector in New York, it's a shared process and unlike a private business we simply can't take the benefits away and throw you to the exchanges, we can't take the benefits away or replace them with something else or simply cut our hours, cut our employment, close the shop down, relocate to the sunbelt, shift production under NAFTA to Mexico or under TPP to the Pacific Rim. We've got to operate in the 24/7 basis and quite frankly during harder times, unlike a private business that can reduce hours and production and get out of lines of less profitable type of work, there's a greater demand for government services during hard economic times that we've got to ramp up. We've been figuring out a way to stay ahead of the curve through a combination of technology, collaboration with county and neighbors and actually offloading some services that used to be the exclusive domain of the City of Jamestown that are now somebody else's responsibility and we're continuing to look for those opportunities and those options and as I indicated before there are some strong possibilities out there that we're trying to nurture and hopefully will be able to bring forth and when we do, look forward to having a good public review and hopefully some public support for some of these ideas that are out of the mold of what people have grown accustomed to.

Again, before I close the public hearing I want to thank you for your participation. This hasn't been our normal public hearing, but given the small audience here and the positive approach and the opportunity for dialogue and discussion we have made it so and made Mr. Olson's job literally impossible from a minute and a transcript standpoint and Mr. Olson I apologize for that.

Mayor Teresi asked three times if anyone wished to speak for or against the proposed Local Law Number 1 of 2015.

There being no one, the public hearing was adjourned.

James N. Olson
Director of Financial Services/City Clerk