

COMMON COUNCIL

July 6, 1999

Mayor Robert Raphael presided at a special meeting of the Common Council held at 6:30 PM on July 6, 1999, at One Court Plaza.

Present:

Mayor Robert Raphael
Ald. Thomas Anderson
Ald. Patrick McNeil
Ald. Robert Rabinowitz
Ald. Jeffrey Thornton
Ald. Sharon Jeffer
Ald. Joseph Biviano

Also:

Director of Finance/Clerk William Roberts
DPW Superintendent Carl Ivarson

Mayor Raphael stated the purpose of the special meeting was relative to the possible purchase of property where the price may be affected and asked for a motion to go into executive session to discuss the matter. Ald. Biviano asked specifically what property would be discussed. Director of Finance Roberts indicated that he thought easements and/or right of way would be discussed relative to the new water project. However, Superintendent Ivarson said he was not aware of any and therefore, no motion was presented.

Minutes for Executive Sessions -- Ald. Biviano moved that with respect to all future executive sessions, the following three provisions shall apply:

- 1.) Minutes shall be taken of all executive sessions henceforth;
- 2.) The specific subject or subjects shall be stated according to §105 of the NYS Public Officers Law, which lists the eight subjects that may be discussed in executive session; and
- 3.) That if the Mayor offers up a motion to be placed on the table, that the subject or subjects be stated by the Mayor, rather than by an Alderman.

Seconded by Ald. McNeil and duly adopted on a roll call vote, 5-1 (Ald. Thornton). In a discussion prior to the vote, Ald. Thornton expressed concerns with regard to specifying what types of discussion details would be required for executive session minutes. Ald. Rabinowitz pointed out that a summary of areas affected by the discussions would be recorded, but detailed specifics of discussions under any of the eight subjects, such as prices, names, credit and employment history and similar details, would not be recorded. Also, it was agreed that the subject for tonight's special meeting did not require an executive session and would be an open session.

Water Distribution and Filtration Upgrade Project - Finance Director Roberts reviewed the background and updated Council Members on the status of the \$4,124,822 project. He said that in the last nine or ten months since the Council passed the enabling resolution in August of 1998, every effort has been made to secure the lowest cost funding sources possible, from grants to zero interest rate loans. He said that during that span of time, the City has pressed for a determination from NYS Environmental Facilities Corporation (EFC) as to what could be obtained under the State Revolving Fund (SRF) program. EFC has indicated that the soonest the City would learn anything would not be before this September. At this point, from EFC, the chances for grant funds are highly unlikely, and zero rate loans are also quite uncertain. Concerns were expressed that another year could slip by with no initiation of the project, while the physical condition of the distribution system continues to deteriorate.

Meanwhile, Rural Development of the U.S. Dept. of Agriculture, has met with the City and has determined the City is eligible for a loan through their program and has expressed a strong desire to facilitate the process. The loan would be for 38 years at a rate of 4.5%. Also, EFC has recommended that the City pursue that avenue, since any loan from Rural Development can be prepaid in full at any time without penalty in the event that grant funds or lower cost borrowing should become available. Further, Rural Development must commit its funds to our project this week if they are to remain available. This was only just learned at the end of last week, which created the need for this special meeting.

Director Roberts then handed out an analysis showing the projected impact of bonding costs on user rates and also a copy of the project budget. The impact would be gradual over the next three years. For example, the quarterly bill for 1,000 cubic feet of water use would increase by \$4.58 per quarter in the year 2000, \$3.71 in year 2001, and \$2.91 in year 2002. Ald. McNeil noted that approximately \$162,000 has already been spent to date for engineering, surveying, and technical services. Director Roberts stated that funds were borrowed internally from other capital project accounts to pay those amounts until formal financing was put into place. Ald. McNeil pointed out that the interest value that could have been earned on those funds should be reimbursed to the other capital accounts from this project as soon as it is financed. Ald. Anderson asked about the priority for Community Development to secure grant funding on the project. Roberts said that this has been a constant, ongoing effort and will continue to be so on a regular basis into the future. Ald. Anderson asked who is the focal point to ensure this, and Roberts stated that the City has an outside grant consultant, Thoma Development, and its financial advisor, David E. Allardice, Inc., working every possible avenue for grant funding. Superintendent Ivarson also added that he always is involved in grant pursuit for these types of public works projects, and that we will be re-applying each year throughout the project to the SRF and Rural Development on this and any other such projects.

Roberts pointed out that while the bonding resolution has already authorized him to issue the debt, he was looking for a consensus among the Council prior to committing with Rural Development. The Council members indicated a unanimous consensus to pursue the loan from Rural Development, with no members dissenting. Roberts said he will therefore move forward.

Adjournment –Ald. Anderson moved to adjourn at 7:13 PM. Seconded by Ald. Jeffer and duly adopted, ayes all.