

Council Chambers  
Tonawanda, New York  
September 25, 2017

A Special Meeting of the Common Council

Present: Council President Koch

Present Councilmembers: Gilbert, Smilinich, Rautenstrauch, Toth

Pledge of Allegiance and Silent Prayer led by Council President Koch

**SPECIAL MEETING COMMON COUNCIL**

**COMMENTS BY THE PUBLIC ON RESOLUTIONS**

The Tonawanda Common Council, in an effort to conduct business in a timely fashion and maintain an open line of communication with the public, welcomes comments on resolutions and other City business.

- Persons wishing to speak and be recognized by the President of the Common Council are to be courteous, respectful, non-repetitive and brief.
- All questions and/or comments should be addressed to the President of the Common Council.
- Please state your name and address clearly for inclusion in the Common Council minutes. In the event any person wishes a response outside the confines of the Common Council meeting, please leave all necessary contact information with the City Clerk after the meeting.
- Persons may address the Common Council during (2) separate sessions of the meeting for a total of 30 minutes per session. Once prior to the resolutions and also after the resolutions prior to Common Council comments.
- Individuals may speak a total of (3) minutes per speaker per session. The President of the Common Council will adhere to this (3) minute guideline in an effort to allow everyone an opportunity to speak who wishes to do so.
- The President of the Common Council reserves the Council's right to limit or expand upon these limits as he/she may deem necessary and prudent.

Usage of cell phones other than for emergency is prohibited during all Council Sessions.

Council President Koch ó I am going to ask the City Clerk to read the Special Meeting Notice.

City Clerk Syposs ó

To the members of the Common Council of the City of Tonawanda, New York.

Pursuant to the power vested in me by Article II, Division 3, Section 2.048, of the City Charter of the City of Tonawanda, adopted January 1, 1998, I hereby call a Special Meeting of the Common Council of the City of Tonawanda to be held at the Council Chambers in the City Hall, Tonawanda, New York, on the 25th day of September, 2017, at 5:30 P.M.

Said meeting is being called for the purpose of a Local Law I, 2017 authorizing the City of Tonawanda to impose a property tax levy in excess of the limit established in New York State General Municipal Law Article 2, sub-section 3-c.

And such other business as may properly come before the Council.

Dated this 21st day of September, 2017.

Jenna N. Koch  
Council President

Certification of Service of Special Meeting Notice by City Clerk Gayle Syposs

Council President Koch ó Now just so everyone knows this is not a requirement by the City, this was brought to us by New York State and it does not mean that we have to set a tax rate tonight. We will receive the Mayor's proposed budget in October and at that point we will discuss it.

Joe (Hogenkamp), before we take comments from the public, would you come up to the microphone and explain again, given our current budget in dollars, if this does not pass, what do we have to cut in dollars?

City Treasurer Hogenkamp ó I went on to the (NYS) Comptroller's Web site where we can figure out the calculations and there are a few things that change but our tax levy last year was around 11 million 319 thousand dollars and based on the numbers that I have plugged in, if you don't override the tax cap you're limited to a tax levy that's about \$11 million 528 thousand so a couple hundred thousand, dollars, maybe \$ 209,000 is what you are limited to raise the levy over last year's tax levy. So it's not really what you have to cut, it's what you can increase your levy by and as I tried to explain at the last meeting, your salaries are 9 to 10 million dollars a year. That alone, with these contracts that have just been negotiated, it's probably at least double that. Just in salaries, health insurance. Those are things that we have to account for in our budget and the process that not with just this current Mayor, but every Mayor, it's a process of trying to be realistic in terms of what you hope it can be, what you think it can be but what the numbers bear out they are. That cuts across your health insurance, that cuts across your sales tax revenue that cuts across fines, that cuts across black and white numbers that are in contracts. That's the reality.

Council President Koch ó Do you have a recommendation for this Council on this resolution?

Treasurer Hogenkamp ó I have no recommendation, if you don't exceed the cap, if you don't vote to override the cap you're limited to increasing your tax levy from last year to this year by a little over \$200,000 bucks.

Councilman Gilbert ó Joe, so you're saying that if we don't override the tax cap the salary and health insurance alone are \$500,000?

City Treasurer Hogenkamp - Yes, I mean salaries are 9 to 10 million bucks. Two percent of that is 200 grand. The contracts are more than that. Without me even going back and trying to figure that out I know that and the health insurance, we spent last year four and one half million bucks. We're gonna probably hit four and a half million bucks this year. Yes, we can make changes, there are things in the contract, save a couple hundred grand, but the way we structure our health insurance, it's self funded. We could have a year where we hit four million or we could hit a year where we hit 4.6, 4.7. Those are the realities that I live in that have to be addressed in here.

Council President Koch- Thank you Joe.

Councilmember Rautenstrauch ó In regards to this, if we don't actually pass the resolution to exceed it and we come up short on the budget, what are the penalties?

City Treasurer Hogenkamp ó When this first came out, the State Comptroller was, when they pass laws a lot of time people, the people who are forced to enforce those laws, they're trying to figure out what the laws mean and how to interpret them themselves. When this first came out, I posed the question to them; can the Mayor propose a budget that is in excess of the cap? Yes he can. If you vote no on this tonight, he can still deliver a budget that has 6-7, 8 percent increase, what ever, 20 percent increase. If you don't adopt a budget that is under the cap because you've forced yourself into that box, then what will happen, I think is, that the State will say, ok, your cap was 200 grand, you raised taxes 600 grand and you didn't have the mechanism in place to override the 200, - there's \$400 thousand that you've got to cut out of your 18 budget and I don't know how quickly they'll get to you but if they don't get to you to cut your 18 budget they're gonna make that a cap deduct. They're going to say, ok, here's your cap now. 2 % of this minus the 400 that you got that you shouldn't have got last year I think is how they do it. I don't think they have a lot of experience either in enforcing these things on municipalities. I really don't think they do.

Councilmember Rautenstrauch- But it could potentially lead to a worse situation a year, two years down the road?

City Treasurer Hogenkamp -Potentially the State's going to make you account for money that you collected that you legally didn't authorize yourself to collect.

Councilmember Rautenstrauch- One other thing too, in reading the wording on the tax cap, it's not an actual, we're not looking to override a 2 percent tax levy , it's 2 percent of the cost of living or the inflation rate so it's even less?

City Treasurer Hogenkamp- They take two percent of your tax levy from the previous year and there's factors in there that they call a growth factor. There are properties that we send pilot bills to, not a lot, there's probably four or five properties that we send pilot bills to. Mueller, Leisure Living, where they got ECIDA grants to make improvements to the building. Simmers Crane, Tonawanda Towers gets a Pilot Bill- they're not being calculated on the assessment, Kibler. Those numbers somehow go into the formula, they change the number a little bit but not material enough for me to say ó two percent of 11 million is \$220 grand, these other things are just incidentals that go into the formula that really don't effect it much, if at all.

Council President Koch- Thank you. We will now take comments from the public on the resolution. Please state your name and address for the record.

Charles Rech - Mayor Davis is not here tonight as he is at a meeting with the Senior Citizens. Just to follow up on what Joe is saying, how long have we been going over this cap?

City Treasurer Hogenkamp ó We've gone over probably the last three or four years, at least three.

Charles Rech - I think it's been historically that Cities like Tonawanda and a lot of other places are in positions that if they adhere strictly to this two percent, I think it was last year or the year before that if we had stuck to under the two percent, well every year, it would have been severe cuts in services. So when you think about this tonight, if you don't feel you can vote for it, please give some attention and let us know your thoughts as to what services need to be cut, that you would put into priority in terms of cutting back on 2018 budget because that's in effect what it's all about.

Martin Latko, City of Tonawanda, 446 Morgan Street- As I stated here earlier, Ms Koch , when I talked to you previous, these contracts and you're talking to a person that negotiates contracts for a living , I want everyone to get, but they're not sustainable. These contracts are not sustainable, I've went to meet with the Mayor four times and the Mayor has not returned my phone call. That's what I do for a living and I showed real contracts today, like I said, the hospitalization costs, the wages, they're not real and they're not sustainable as a city. We have nothing here to sustain these contracts except for the taxpayers here. I'd love for everybody to get everything but as far as cutting the budget and I'm sorry I came late, but at the end of the day, these wages and benefits are not real, any contract, state contract, municipality and like I said, anybody that has any with the Mayor, I'd like to meet with him and show him a real contract today because I'm retiring. I'm gonna be one of the people that gonna have to be paying taxes like the older people in the community and they're not sustainable. You cannot sustain this so I'd like to know from Joe if I can get some paperwork from you. Who did the negotiating, how you come about with these numbers, hospitalization costs and all the other things that are on the table here? Like I said, no disrespect to anybody here but there's not a person up there negotiated, I negotiated million dollar contracts so I do know what I'm saying so I'd like to get that information from you Joe if I could?

Councilmember Gilbert ó Marty, you have to FOIL a request to the City Clerk and when you FOIL request, she can get you that information.

Martin Latko ó So I'm just going to have to FOIL?

Council President Koch ó Yes.

Martin Latko- Just for my own knowledge, how many of you people negotiated a labor contract of over a hundred million dollars?

Councilmember Gilbert and Council President Koch ó Not a hundred.

Martin Latko ó Thank you , see like I said, these aren't sustainable if you look at each state and municipality contract there's not one of them remotely close to ours and listen, I'd love for everybody

to get cherries and whip cream but it's not sustainable for the taxpayers, that's the reality of it. You're gonna put it on the back of the taxpayers, there's nothing here in the City to support it.

Council President Koch ó Thank you. Mr. Rech, if you could get with Mr. Latko and get his phone number and ask the Mayor to return his call.

#### MOTIONS AND RESOLUTIONS

220. By Councilmember Koch seconded by Councilmember Rautentrauch

#### LOCAL LAW NO. 1 FOR THE YEAR 2017

**A Local Law authorizing the City of Tonawanda to impose a property tax levy in excess of the limit established in New York State General Municipal Law Article 2, Sec. 3-c**

which provides that: It is the intent of this Local Law to allow the City of Tonawanda to adopt a budget for the fiscal year commencing January 1, 2018, that requires a real property tax levy in excess of the tax levy limit as set forth in General Municipal Law Article 2, Sec. 3-c.

This Local Law is adopted pursuant to subdivision 5 of the General Municipal Law Article 2, Sec. 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.

The Common Council City of Tonawanda is hereby authorized to adopt a budget for the fiscal year commencing January 1, 2018, that requires a real property tax levy in excess of the amount otherwise prescribed in General Municipal Law Article 2, Sec. 3-c.

If a court determines that any clause, sentence, paragraph, subdivision, or part of this Local Law or the application thereof to any person, individual, 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, 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.

This Local Law shall take effect immediately upon filing with the Secretary of State.

WHEREAS, Local Law No. 1 for the year 2017 for the City of Tonawanda entitled:

A Local Law authorizing the City of Tonawanda to impose a property tax levy in excess of the limit established in New York State General Municipal Law Article 2, Sec. 3-c

was unanimously introduced by the Common Council on September 5, 2017, and laid upon each Council Member's desk for seven days, excluding Sunday; and

WHEREAS, proposed Local Law No. 1 for the year 2017 has been reviewed and deliberated upon by the Common Council;

NOW, THEREFORE, BE IT RESOLVED, that the Common Council hereby approves and enacts Local Law No. 1 for the year 2017, attached hereto and made a part hereof.

Councilmember Gilbert ó Before we vote, to piggy back on what Mr. Latko said, I've been thinking about this and talking to different people, Mrs. Syposs is one of them. I think there needs to be a change in the way we do things in the City and what I'm proposing is that we negotiate an amendment to the contracts that allow for a payback for every person in the City that collects health insurance of \$200. Every person that collects health insurance from the City of Tonawanda would pay \$200 a month towards their

health insurance. That would save the City just under \$400,000 a year. If that is not approved or accepted by the Union leaders and the non union members before the next meeting then I'm going to make a motion to rescind this resolution that we are on tonight. That's my comment before we vote.

Council President Koch, thank you Mr. Gilbert, any other comments or questions?

Councilmember Smilinich- most of us on this Council have been here almost 2 to 4 years, some of us more and during that time, the time that I've sat on this Council it's repeatable been discussed by the Council that has the fiduciary responsibilities that we need to reduce, reduce, reduce. We have not, that's all I have to say.

Ayes: Gilbert, Rautenstrauch, Koch

Nays: Smilinich, Toth

Resolution declared adopted

**COMMENTS BY THE PUBLIC AFTER THE RESOLUTION**

No comments

**COMMENTS BY THE COUNCILMEMBERS AFTER THE RESOLUTION**

Councilmember Rautenstrauch ó I want to say this increase, in passing this isn't where we need to hold strong on. I believe that we need to look at the budget and take a closer look at that and see where we can cut costs. Going over the limit is going to happen and I think we need to take that into consideration but I think we all are committed as a group to doing what we can to keep that increase as low as possible for our residents.

Councilmember Toth ó While other communities in the area have different needs than we so there are other communities that are finding ways to get under this tax cap whether it's through budget advisory committees or having the public help with them. This has become a regular course of business in the City now to just override this tax cap rather than be prudent with our budgets and I think we have to start buckling down and looking for ways to help the residents not bear the burden of these tax increases.

