

Members of the Common Council, Department Heads, distinguished guests, and city residents, it is my honor to be before you today giving my second State of the City Address. I am happy to announce that the State of the City is good.

Financially, the City is sound. First, our most recent bond rating from Standard & Poors[®] upgraded us to %AA stable+. Compared to other small cities across New York State, the City of Tonawanda's[®] bond rating is in the top tier. I thank Standard and Poors for having faith in my vision for the city, but more importantly I thank our very dedicated City Treasurer Joe Hogenkamp for all his hard work. I look forward to working with the Common Council and my Department Heads to retain this rating.

Second, the City of Tonawanda General Fund began fiscal year 2015 with an undesignated fund balance, otherwise know as a rainy day fund, of approximately \$1.7. This is down from \$2.1 million the previous year, before I entered office. A decline such as this should be of concern. The drop can be both attributed to retirement cash-outs and, more importantly, the fact that \$350,000 was used in November 2013 to balance the 2014 budget. The current undesignated fund balance represents approximately 9% of our annual General Fund expenditures. From a general municipal accounting standpoint, the preservation of a 5-10% fund balance is the recommended standard. This is why I only appropriated \$100,000 this year and my main objective moving forward is to maintain a healthy fund balance. We must be fiscally conservative and judicious with the use of our fund balance going forward.

With the help of the Common Council we passed a very responsible budget that kept the tax increase to a minimum, an average of \$5 per household. This is less than half the rate of inflation and is less than the increases made in each of the three prior years. And, we were also able to keep most all of the services that residents have come to love and expect from government. Coming up with ways to keep their expenditures down while maintaining services was tough for each of our departments. I cannot thank them enough for their hard work and cooperation on this matter. The 2016 budget may very well require even tougher decisions on staffing and programs if we are to come in line with unfunded state mandates. I look forward to working with our departments and the Council to develop another fiscally sound budget.

Moving on to accomplishments and activities upon which we are now working. I'm not usually a fan of looking in the past, but sometimes it's necessary to see where you've been to know where you're heading. During my first year in office, we were able to secure approximately \$2 million in grant funding, with the help of Rotella Grant Management, for various projects. Those projects included a new recycling truck, salt water filtration system at Kohler Pool, Main St Program, Ives Park improvements, replanting 200 trees, new flak vests for our Police Department, shoreline stabilization in Niawanda Park, extension of the Rails-to-Trails bike path, and the Intermodal Hub and beautification of Koenigs Alley just to name a few.

This past year we parted ways with Natale Development and their proposal for homes that would receive a 35% tax break which would have been 10% more than our men and women who fought for our country receive. I remain optimistic that we will find a developer that will want to build homes without a tax break, pay for the infrastructure, and work closely with homeowners living adjacent to the proposed development. I continue to work diligently on this.

Anyone that has driven by the future site of Simmers Crane can help but notice how fast they are moving to get up and running. There were many hurdles to overcome even after the contract was signed. My office and the Building Inspector worked diligently with Simmers Crane on construction cost overages and land acquisition issues to ensure this project came to fruition. I have been told to look for a ribbon cutting ceremony sometime in the late winter/spring timeframe so stay tuned.

Also, related to Spaulding Commerce Park, the City entered into an agreement with Pyramid Brokerage to professionally market the former industrial site. I'm very excited to bring their expertise into the city and look forward to working with them to help set the Spaulding Commerce Park apart from the other vacant properties that dot the landscape. I plan on bringing Pyramid in for a Council meeting in the next few weeks to discuss their marketing plan.

In other development matters, very shortly we will start holding a series of public hearings as a part of updating our Local Waterfront Revitalization Plan (LWRP). This is the blueprint of what we envision our

waterfront looking like in the next 20 years. I'm hoping to also piggyback updating our Comprehensive Plan, which is the blueprint of how we envision how the city will look in the next 20 years. These documents really go hand in hand and will be the foundation for our securing grant funding for future projects. This will really be an unprecedented time for residents to get involved in the future of the city and I hope people take full advantage of it. This is not our vision, this will be your vision.

Work on the ADA Fishing Pier, which is located near the Long Homestead underneath the Walk Bridge, will be completed this spring. The pier will afford anyone that wishes to partake in our beautiful waterfront the opportunity to do so.

Also of note, finally!!! The Rails-to-Trails project (now 20+ years in the works) and the Two Mile Creek Culvert Project (10 years in the works) will start in the spring. The Rails-to-Trails project will afford our residents increased recreational opportunities and provide an intermodal link, once fully completed, from North Buffalo to the Erie Canal. The Two Mile Creek Bridge provides a vital link through our city and I while I will admit, there may be a few headaches with construction and traffic being diverted, but this is a project that is much needed for the safe travels on Niagara St and long overdue.

And, earlier today we made a presentation to the Niagara River Greenway Commission for a grant to cover the \$750,000 Intermodal Hub/Koenigs Alley Beautification project. This area has long been an eyesore of our downtown Central Business District. I remain optimistic that we will be able to secure the funds to finish this project.

On energy and conservation matters, over the course 2014, Councilman Gilbert and I have worked with various solar energy companies to bring some utility cost savings to the city. I remain very optimistic that we will be able to come to an agreement that helps the city save a considerable amount on its utility bills and lowers its carbon footprint.

And, for the last 10 years I've worked diligently with Joyce Hogenkamp and various environmental organizations for full remediation of the radioactive contamination at the FUSRAP site. I want to thank Senator Schumer for his call to clean up the site. I look forward to continuing that work with Councilwoman Koch and to the Army Corps of Engineers

release of their new Proposed Plan early in 2015, which should include complete removal of all contamination linked to the Manhattan Project.

I will look to secure the services of Dogs Without Borders to again rid Niawanda Park of the nuisance Canadian Geese. They were highly successful last year and I expect the same success this year. Also, Mandy Lofft, Kelly Smith and the rest of the Recreation Department published a great Summer Guide Book of activities happening around the city. I look forward to seeing what they publish this year as it was by far the best summer program guide published by any municipality. The city will also continue work on the \$20+ million state mandated sewer work along with street repaving and sidewalk replacement.

All of the above are just a small sample of the items we as a city have and are working on. I stand ready and willing to sit down with adjacent communities and our school district to see where we can work together through shared services for the betterment of the city. I have already reached out to a few.

To conclude, as we move forward, I am fully aware that our greatest asset continues to be our city workers. From the department heads on down throughout each area. In our Police Department, Fire Department, DPW, Parks and Recreation, Treasurer's and Clerk's Offices, Engineer, Assessor, Building Inspector, and Civil Service Commission; and including summer help, our workers provide the services and dedication that are second to none. I look forward to working with them all and our Common Council to help lay the foundation for our city for many years to come.

Thank you and God Bless.