

**State of the City
January 25, 2010**

Upon entering office as mayor in January 2007, there was a General Fund deficit of \$804,565 and a cash balance of only \$658,140 which covered just over two weeks of city payroll. Today, we have a General Fund surplus of \$2.4 million and a cash balance of just over \$7 million. Our water and sewer fund balances in 2007 were \$38,003 and \$399,078 and presently have balances of \$1.6 million and \$2.2 million, respectively. Debt service costs in 2007 were \$412,150 and today \$122,664. Our tax and utility rates have been stable for three years and we are replenishing our depleted water and sewer capital reserve funds.

We improved our city's financial position with conservative budget management, assistance by our city department heads, and efforts from Budget Committee members Councilors Jim Calnon and Chris Jackson. The Health Care Task Force led by Jim Calnon, city union representatives, and First Niagara, were directly responsible for tremendous savings in health care costs. We have addressed difficult issues directly and made the necessary decisions. The bidding of our banking services in 2009 resulted in a 2.05% interest rate on all city funds versus a .33% rate of return which will substantially increase our revenues. Bidding the city insurance business resulted in more comprehensive coverage and a \$140,000 savings. We pursued an upgrade in our bond rating which saved the city approximately \$500,000 in debt service. While we have improved our finances, we must deal with economic challenges the next two to three years and remain vigilant. I am very proud of these accomplishments, however, given the precarious economic issues facing New York State and Washington, D.C.

In 2009, the city experienced new development with the opening of Kinney Drugs, College Suites, and Lucenda Storage Facility. Business expansions included McDonald's, Kentucky Fried Chicken, and Warren Electric office suites. CVPH continues to provide first class services and expansion plans. Imperial Industrial Park has several new tenants including Hanet Plastics which is looking to enhance their facility and add more jobs. The Catherine Gardens Project has broken ground. Bombardier continues to retool their operation for future business opportunities. We opened a new Waterfront Park, rededicated the Champlain Monument Park as part of the Quadricentennial Celebration, and continue work on the Saranac River Trail. An online payment program was initiated by the Finance Department which improves customer service while cutting costs. A new city website was launched. The city pursued property issues at Lakeside Apartments. The city finally committed to two significant projects. New water tanks at the Water Filtration Plant will improve the quality and safety of our water supply. The Akey Landfill closure project is finally moving forward. Working with Governor Paterson, the city secured \$2 million in funding for this project substantially reducing the long term tax burden for our residents. We committed to infrastructure improvements by reconstructing

Brinkerhoff Street and resurfacing North Catherine and Oak Streets as well as partial resurfacing for Elm, Lyon, North, Turner Court, Riley, and Riverside Streets.

In 2010, we will see a Walgreen's opening, continued building construction at Plattsburgh State, a new McBride Chevrolet and Subaru showroom, and residential development at Lake Country Village. The city will host its first half marathon running event. We have partnered with Sunrise Rotary to hold the 2010 Mayor's Cup and Regatta. National fishing tournaments will return to Lake Champlain this year.

I have a number of goals to achieve in 2010. We will continue to seek additional bond rating upgrades to lessen the long term debt for our taxpayers. We plan on implementing a time and attendance system which will improve the efficient and accountability of our employees. We will fill the Deputy Chamberlain position to solidify our Finance Department. A financial lockbox system will be implemented in the Finance Department to provide improved services to the public and increase efficiency. I will bring a resolution to the council to reconsider future employees reside in the city. I will form a Task Force Committee to study options for city fire service first discussed more than a year ago. Through contract negotiations, each AFSCME, Library, and Fire Department union member must contribute to health care. I plan to aggressively pursue the development of the waterfront hotel site and continue to meet with city business owners to listen to their concerns.

In closing, it is an honor to be mayor of the City of Plattsburgh. I have been resolute in my commitment to improving our city throughout my term in office. This has been challenging, difficult, and oftentimes controversial; however, I believe Plattsburgh is better positioned now than in 2007. I am mindful daily of the struggles our senior citizens, retirees, young families, and business owners face and while mayor, I will continue to represent the best interests of the majority of the taxpayers in the City of Plattsburgh. Thank you.

Mayor Donald M. Kasprzak