

Q&A with Saratoga Springs Mayor Scott Johnson on 2010, 2011 city government issues **with video**

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Editor's note: This is the fifth in a series of interviews The Saratogian conducted with City Council members on 2010 and 2011 government issues.

SARATOGA SPRINGS — The following is an excerpt of a Dec. 23 interview with Saratoga Springs Mayor Scott Johnson in which he gave his thoughts on city government in 2010 and his outlook for 2011.

Question: A headline that ran at the beginning of 2010 cited a feeling of “cautious optimism” in the city. Does that characterize 2010 for you?

Answer: Oh, absolutely. I think it played out very much along those lines. Certainly the economy didn't help us at all, but despite a bad economy, I think we as a council in particular made the best of a challenging situation.

Even including adoption of the 2011 budget; there's some controversy over it being too high, too low, whatever the case may be. Typically people say it's too high, but looking around (at) surrounding municipalities I think we did a good job at really cutting down as much as we could in terms of expenses and still delivering a reasonable increase in tax rate.

Q: Speaking of the budget, were there any cuts you felt should've been included that were not?

A: My concern still is to identify the 2010 funds that will not be expended because if you're not spending it this year, what would make you think you'd be spending it next year? Unfortunately with the two largest departments, it may be difficult for them to do that without necessarily cutting their own fate for this year, especially DPW in terms of any overtime or increase in material what-not based on the weather changes in the winter time. All those issues, and I understand those issues.

It's easier for me to make my changes and make my cuts than the two largest departments, but certainly the burden and obligation is on the two largest departments to really cut where they can. And they've done a good job, considering where they've been in the past, but I think there's still another avenue, another chance to go back to that as we go into next year. Let's not just spend it because it's on the budget line, make sure we need it. And I'm not casting any dispersion on them, but basically, that's been my concern for this year, and I carry it into next year as well.

Q: Do you foresee a mid-year budget adjustment next year?

A: I certainly hope not. We had to do it for this year because of the paid parking issue that was in this year's budget; that was revenue that would never be realized. We don't have that item in this coming year's budget so I wouldn't see that occurring, unless we have increased operational expenses, particularly labor lines that always bring back to the table the issue of further cuts to personnel.

Q: There were retirements, but am I correct that there were no layoffs or attrition this year?

A: That's true, unlike this past year, and that's a good thing. That probably means most likely we're at a point now where we've cut about as much as we can cut on the payroll line, and now it's up to really doing more with less. By that I mean more productive, more efficient with the present labor staff to better serve the city and keep the cost in mind.

Q: You mentioned paid parking. Is there a future for paid parking in Saratoga Springs and do you see that debate coming up in 2011?

A: I would not rule out anything for Saratoga Springs in terms of whether it will come to pass. Certainly the issue of paid parking was one that had some vehement opinions both pro and con, different factions if you will. Some of the business interests were more against it than the actual patrons perhaps and the other residents of the city. I don't rule that out in the long term for the city, but certainly it has to be an area that perhaps there's more vetting, and that takes time, for the entire community to weigh in on the issue.

But certainly we cannot continue to overlook the prospect of what revenue that could generate for the city. Especially as we go forward, because our opportunities to raise revenue are really limited to two items, it's property tax and sales tax. We do what we can on both of those, but looking at generation of revenue, certainly paid parking could deliver a substantial stream of revenue each year for the city, but it has to be something the community both wants and understands the impact of, and I'm not quite sure we're at that point unfortunately. It's an educational process that we started at least. I don't think it will go away, based on the economics ahead of the city. It's not going to get any easier to operate our government because each year operational costs continue to increase. So you have to always look at streams of revenue, and certainly paid parking should at least be considered in that regard.

Q: Do you have any plans within your department or on your agenda for next related to building a new parking lot either behind City Hall or the area behind Compton's?

A: We've always been looking at that from day one, and actually that began long before I took office. The very first month I was in office, January of 2008, I met with community leaders, in particular the Chamber of Commerce and the Downtown Business Association, because they've always been advocating for that parking garage, structures to be established really at both locations. First it was the Woodlawn lots, and that certainly is more central in terms of geographical location for downtown businesses in particular.

That is never off the table. Unfortunately, it's a situation where... Who is going to build it, at what cost, and then you always have the cost of operation and maintenance. Personally, I would not want to see the city in the business of operating parking garages. I don't think we'd do it well. There are those in private industry that do it now and could do it much better, more efficient, (and) more productive than the city ever could, and we can still generate revenue based on that arrangement without increasing our cost of personnel in the operation and maintenance of those lots.

Q: There are several questions about how city operated paid lots would operate. For example, what department would operate the lots? Who would be responsible for the finances involved...

A: Absolutely. Paid parking, by the way, is such a change in what most people think of as paid parking. It's not parking meters where you put a quarter in every hour or half an hour. Down in Albany, for example, you only get 12 minutes for a quarter. That's never but we've been advocating here in the city or even considering, despite some of the turn on those that opposed the proposition. Today's software for paid parking is so customer friendly that you could literally be sitting in your restaurant, and you know your time is about to expire, you can pull up your cell phone, punch in your credit card to extend your time without even leaving the restaurant. It's that easy, that friendly today, so there's so many things out there that those that oppose paid parking unfortunately don't maybe know exactly the extent of what can be done to facilitate the inconvenience, or avoid the inconvenience, if you will, of the customers and patrons of our downtown businesses. So again, a lot if it's educational. I've been talking about that over the course of this issue of paid parking. Whether it's actually gotten out there and been understood, I have my doubts, but certainly it's been talked about. We as a council have never, never advocated putting in parking meters up and down Broadway, where you'd have to bring out your quarters. That's just not the proposal.

Q: You mentioned some of the rhetoric that came out of the paid parking advisory committee...

A: Really the word is propaganda. And I don't mean to be derogatory by saying that, but you know, if you're really opposed to something, there's a way of spinning that in the press and to the public that really can somewhat distort what the proposal is. That really unfortunately did occur on the proposal for paid parking that was defeated this year.

What will happen in the future? Who knows; again, if nothing else, when it's brought back to the table, and it certainly will in some format be brought back to the table in the future, it needs to be fully vetted to the point where the community really knows what the proposal is. Because, it's not a question of what I want, or what the council wants, it's always what the community wants. We should be listening to them, and I think we were listening to them by stalling this at least for this year, because a lot of people had concerns, they thought they weren't having all the answers, and it takes time to go through that process.

Q: There was a lot going on in the Recreation Department this year. I'm sure you are still excited about the Saratoga Springs Recreation Center; everyone I've spoken to seems to enjoy the facility and they seem to be making some money through programming. How do you feel about the center now that it's been open almost 6 months?

A: I think it's a phenomenal facility. I always did think the community would embrace it once they saw it and enjoyed it. Those that opposed it had their own reasons, certainly it added to the process and even the cost to the city in terms of fighting the legal challenges, but we got through that. And I'm proud we were able to get through it, because in the end we made the best of a situation that was difficult to deal with.

As you know, when I took office in 2008, it was fully bonded. The cost of construction was there. That was already on the books, so I decided, on behalf of the city to push it because to me that was the most reasonable alternative given the facts we were facing. We were either going to lose money from money spent to date, the cost of the bonding, everything else, the money spent already towards those bonds, on the payments on the bonds, everything involved. I could not in good conscience, in service to the taxpayers, basically throw away over a million dollars, and have nothing to show for it.

In reality, if it was not built then, it would never be built. You don't get to that stage of having the plans on paper, and the go ahead, and a location that I still believe is the best location for this facility, to serve the entire city, not just a segment, but the whole city geographically. If it did not go forward, it would never be built, and again, a judgment call was made.

Certainly I led the charge, I accept that responsibility, but looking back on it, I wouldn't change what I did because today we have a facility that's going to serve not only our city now but for generations to come, and that's important, because an advocate for youth in our community, and what it means to not only properly educate your youth but train your youth, and that's a tough word, but train your youth, if you will to be the future leaders of the community. There's no better investment.

So, we can't lose with that, combined with the fact that we're going to use that facility to become cost neutral in its operation, not being a burden to the taxpayer. We're already heading in that direction; prime example is Camp Saradac for this past summer. First time being held at that facility rather than the East Side Recreation Field and, to give you some history in that regard: for the years 2008 and 2009, the camp operated at a loss of over \$90,000, okay, that goes back to the taxpayer now. This year, 2010, first year holding it at the Rec. Center; we posted a profit of about \$8,000. That's what we see happening here.

That's the focus; that my administration has been working with the Rec. Commission and the Rec. Department and the user groups, the athletic groups in the city and so-on, take this facility and run with it, if you will. Use it for what it can do. It can bring back revenue to the city sufficient at least to cover the cost of the operation. So now we have a situation where a facility is cost neutral to the city, not a burden to the taxpayer, and on the other hand you have all these great services and programs that we're continuing to expand on to better use the facility and serve the community. To me it ends up being a win-win, and some people will never be convinced of that, they weren't advocates from the inception, I understand that, but the entire community I think does enjoy it. It's for all ages. It's accessible for everyone to get to independently, including our children. They can ride their bikes if they wish, they can walk to the facility, it's on a bus route. I mean this is accessible, and that's a reason why I

wanted to put it where it eventually was built.

You have to, and the end of the day, to use the phrase, you have to step back and say, what are we doing as a community? And what separates a community from just being a city is what you do for your residents; the quality of life. This is a prime example of the quality of life that we enjoy so much in our community. My goal has always been to enhance us as a community, not just as a city. To be in a community, you serve everybody that's in the community, from all walks of life, all socio-economic backgrounds. It's for the city, it's public resources, public assets, that should be accessible and usable by everybody.

Q: Camp Saradac was almost cut completely during mid-year budget negotiations. You've always stood strong on recreation as a quality of life issue; do you think that the turnaround this year will end some of the debate on the importance of recreation programs?

A: I think that it is basically, if you will, a vindication of that program. And, if it's run properly, with the right attitude; again, a lot of this is simply the idea of taking basic business concepts and putting it into play in city government.

That's a little foreign sometimes, I'll be frank with you, but it can be done. It certainly can be done, but it has to be done with the right attitude and the motivation of those involved. That's what we have now. This Rec. Center is also a motivation to those that are advocates of recreation in the city, because they finally have what they've been looking for for at least 16 years. The first feasibility study was over 16 years ago that identified a need in the community for a rec. center, and now we have one. I took us a little longer to get there as a city, but at least we're there.

So, for these people, the advocates of recreation, they are now I think, they have the incentive, the added motivation, the enthusiasm even, to take this facility and take it to a new level, and that's what really we're seeing here. A lot of creative concepts; even something as simple as Pickleball for our senior citizens, and it's wildly successful. We have a good turnout there routinely each week when it's held in the gymnasium. The seniors also have the walking track around the perimeter of the gym. Again, this facility was built for all age groups, not just for kids.

Q: Another major story this year was the unfortunate death of Ryan Rossley on Henry Street the morning after St. Patrick's Day and the subsequent debate on an earlier last call. You recused yourself from that vote, correct?

A: I did, because I have a business interest, ownership interest in two restaurant/bars in the downtown area. I thought for me to be voting for or against would be inappropriate because I could conceivably stand to gain, based on the nature of my ownership interest. We're not a late-night establishment, we don't stay open until 4-o'clock in the morning anyway, never have and I believe never will. So, based on that, if the closing time had actually been reduced to say 2 a.m.; people coming out earlier, that's the argument against it, in some fashion, coming out earlier. You may still see the same volume in business, but people coming out, certainly earlier because you know they're done by 2-o'clock rather than 4-o'clock. If that happened, my businesses stood to gain because we're only open to those hours. So I just thought it was very improper for me to weigh in on the issue based on my ownership interests, established by the way, prior to the issue.

Q: In light of the incident that occurred last week at Compton's, is there credence to the argument made by Commissioner Franck that an earlier last call could positively affect crime levels or how intoxicated people become?

A: Well, there's a disagreement on that issue. I'm sure you heard from our police chief talking about how, I believe, he didn't believe that was the case based on what happens on other municipalities. So, certainly there's a debate in the community as to whether that's a valid premise.

I don't think that's really the issue; whether bars should close earlier than 4 a.m. To me it's more of a question of again, what does our city want to be known as? And, if you take that avenue, the argument is stronger to limit the hours of operation. Especially with some of the problems we've had most recently, but even the problems most recently, in the whole stream of things, aren't a lot in terms of data, in terms of the frequency of that kind of problem being in our community.

Is once too often? Absolutely. When it comes to fatalities, is once too often? Absolutely. A hate crime, is once too often?

Absolutely. But, day in and day out, things go by and they're open and they're frequented by people until all hours of the morning, and there really aren't serious problems.

It's a difficult issue, and I've stayed out of it, again, because of my interests in those two businesses, but certainly I think the community should be looking at; is it really needed to be in effect? Because most of the communities, as we know, do not have 4 a.m. closings. Is it something that; maybe it should be a seasonal issue, during our high season, our track season, have them operating longer rather than year-round. There are any number of variables that may be discussed and may come into play that are valid issues, and perhaps the conditions would be acceptable to the public and the businesses to do something different. But, again, I really have stayed out of the issue.

Q: You reminded me of a statement made by a downtown restaurant owner during the debate that he wanted to eventually go for the "family dollar" as far as the type of clientele attracted to the downtown social scene. Is that even a valid point in this debate? I don't see many families out between 12 and 4 a.m.

A: I don't think you're having any families out until 2-o'clock in the morning. And again, there really aren't that many businesses that are open between two and four in the morning. You know who they are; the community knows who they are. It's almost a handful of businesses, so is that really dictating what the community does? Maybe yes; maybe no. Basically, as a group, as a restaurant group, they're pretty much unified because the DBA takes a stance, for example. The chamber would take a stance on it perhaps, but these are things that historically have been allowed in the city.

Back in the '60s and '70s, when things were really bad in Saratoga Springs in terms of business and vacancies on Broadway, people were struggling to get by every single day, to stay open in business. That made more sense, at least back then, because everybody needed the maximum help to maximize their revenue. Is that true any longer in Saratoga Springs? Most likely not, but that's what it's been, and we've been known for that. It's a difficult issue; I think your gut tells you, you know the old adage "nothing good happens after 2-o'clock in the morning," but ask the businesses owners how much money they actually take in, in revenue, between 2 and 4 and you may be surprised, again, depending on the time of year.

Q: The Lillian's lot ... is it going to sell next year?

A: Absolutely. Absolutely, is that solid enough for you? Absolutely. The contract is in place, and most recently, not even two weeks ago, the purchaser, Bonacio Construction, filed an application with the Building Department for site approval of the actual plans of construction, that now will be going before the Planning Board for their site review process. That's the procedure that needs to be followed in order for us to eventually go to closing, transfer of title, and receive the balance of the purchase price. We're definitely heading in the right direction.

I believe that at this stage, since plans have been filed, that the Planning Board I believe will be taking this up in January to begin their process. Given that timeline, it's hard to fathom that this thing would not actually be ready to close and the city receive it's money by the end of next year, in order to be in the budget. Which is why I advocated for it to be in the budget during budget workshops and process; because I've been speaking with the purchaser and have had dialogue and believed that it would take this course.

Q: So this isn't "phantom revenue"?

A: No. It's much further along now than ever. It's sufficiently along that I believe it will be actually taking place this year.

Q: There is some litigation being carried into 2011, and there was a hearing recently, on Dec. 15 with CSEA, on your health care consolidation plan for city employees...

A: We had the 9th, Dec. 9 ...

Q: And I thought there was another one scheduled on the 15th?

A: There was. There were two different hearings scheduled. The first one was with the PBA and the firefighters in Albany, and then the second one was here in Saratoga with CSEA for City Hall and DPW.

Q: How did that Dec. 15 meeting turn out?

A: The second hearing, the one with CSEA, it actually went to hearing. Testimony was taken by the representative of CSEA, and basically we have concluded the proof in that hearing. We are now looking at a schedule for both sides to submit written submissions to the arbitrator, who then will have 30 days to make a decision, pursuant to the law that governs as well as the contract at issue.

Q: So, there's a time before that 30 days starts when you have to get your submissions in?

A: Correct. And that's being discussed now as a matter of fact. I believe our attorney and their negotiator, they being CSEA from Albany, have been speaking this week, and I believe next week as well. In the process, we fortunately are looking at maybe settling the issue. I never rule out any possibility of a settlement, even during litigation, or a legal proceeding. Because, once you stop talking, both sides lose. We're at this point where having seen some of the proof in the arbitration of the issue, both sides have enough concerns that; if you can do a deal, both sides win, that's clear.

In arbitration there's a decision. One side loses, the other side wins. So, that's the difference, but we have at least been able to discuss the prospect of a settlement on the healthcare issue, and that's ongoing both with CSEA as well as PBA and the firefighters.

Q: I know we've talked about this a lot; but how important is this health care consolidation going forward in terms of cost savings for the city?

A: I can't underestimate the importance of this, and it's not just a one-time revenue shot, but a recurring source of revenue every year that we have these savings in place on health care. It's no secret; it's well known that 80 percent of our operational budget is related to labor, with benefits of course of which health care is a major component. So, looking all of that, if the city can cut back its future increases, and that's the key here, it's not necessarily a savings or a discount on what we're paying now, it's more of a savings in the future based on what the future increases in health care will be. In the last few years in particular they've been going up double digit.

So, we have projections for this coming year of maybe a 15 percent increase in premiums on health care. Luckily it didn't come to that, but still, it was close to that. So basically that's the savings the city can realize year after year. That amount has been estimated by the so-called experts in the industry for us based on how we utilize our plans here, our rates and premiums somewhat. We are conservatively estimating a savings of, I think our average figure (is) about \$800,000 a year, and it can be as high as over a million dollars a year if things fall into play under the best circumstances for the city. So those are real numbers that are real savings to the taxpayer each and every year. So, can I underestimate that, no. In fact, I think that is probably one of the best things I did the entire year is push this issue forwards, try to convert the health care of the entire labor force in the city to one insurance company, while giving them a choice within that company. Not minimizing the coverage they have, to their detriment, but saving the city money.

And it's been a hard route, as you know. We started this back in April, and now we're at the end of the year and we're still not there. But we're not done, and I don't intend on being done with this until we have resolution on the issue. I want to work with the unions, I always have, but this is too important of an issue to say, "I don't like it because it's different from what I have now." That's not the issue, the issue is do you have security based on having good health care and the answer to that question is absolutely, yes.

Q: That is the argument made by the unions; that the coverage under one plan is not as good as with more offerings. Since this is the claim made by all parties, if it is resolved for one of the unions, will it be settled for them all?

A: First of all, once we have a determination, if we have it determined by an arbitrator rather than a settlement, the issue is the

same. Is it binding on the other unions that aren't part of that arbitration? No, but it will be pretty clear that they have nothing to argue in future arbitrations, so it sets a precedent, if you will. From that point, that is important to the city, and that's why I didn't welcome the idea of going to arbitration, but certainly I respond to the demand for arbitration. We're brought into arbitration by the unions, I respect the process; they have the right to do that, that's their option under the contract.

But certainly, it's a situation where they know what's at risk, we know what's at risk, and let's just get it over with. It's been eight months now since I proposed it, and are we farther along in the process? Absolutely. Are we there yet? No. Do I feel confident that we will prevail, we being the city, I do. I wouldn't have started this process if I didn't think we were on sound legal footing to do what we're doing, again, at no real detriment to the employee.

Q: Contract negotiations are ongoing for several city unions. The PBA contract was approved this year and will be in place for... three or four years?

A: We did a four year extension of what was on the table already because at this point we were already through the process and we didn't want to come back next year and start again.

Q: And the firefighter's union comes up ...

A: At the end of this year.

Q: How are negotiations going there?

A: We haven't started the actual negotiation, because, at least in my estimation, and I'm not ignoring their desire to start negotiations, but until the issue of health care is resolved we're not going to reach any agreements. That's pretty obvious, to me at least. With PBA it was different because we were able to get certain health care concessions from the unions, they were able to work with us to make it more palatable for the city, even under the present arrangement. But certainly by that point, and when we reached the contract with PBA, I already made the proposal to transfer the health care over to one provider anyway. So that was taking its own course, and being held outside the contracts.

The contracts themselves, the remaining contracts, a big issue is going to be health care. Typically it's going to be two things on any type of contract that's reached; it's wage issues, wage increases, and benefits. And benefits today really mean health care.

The retirement package is the same, that's governed by New York State, which by the way, we had an increase in \$2.8, I believe, to almost \$4.2 million in what we have to contribute to New York State for the pension plan for those already under retirement of course. In one year that was our increase, and that was felt across the state by every city and municipality. But that's a tremendous, tremendous impact to the city in one fiscal year that, despite that even, again, going back to our budget for 2011 and the tax increase, to maintain an increase of only 4.5 percent.

I don't say that lightly; 4.5 percent still is not a great figure, I'm not happy with it, but considering the increase in that alone, \$1.2 million of our cost on pension to New York State, and a loss of VLT money on top... You know all this happened all within the last couple years. So we're looking at a changed landscape totally in terms of the operation of city government from when I took office.

We've lost, in one single year, VLT revenues of over \$3.5 million, (and) then on top of that, increased state mandates, unfunded mandates on the pension costs of about \$1.4 million. That's a tremendous swing to our local economy. And that's why we had to do the layoffs, we had to do certain things to get back to a leaner operational machine as a city government.

The challenge today in local government as I see it is coping with the cost of government in very challenging times. We're facing challenges here, we being the city, are facing challenges that we haven't seen in generations. I don't take that lightly, but you also have to balance things out and still provide services, and that's the difficult part of what we're talking about here. Certainly I'm well aware of what people can afford in our city. I grew up that way here; I know how it's difficult for many families in our community that live paycheck to paycheck, and not even that, and are still behind when it comes to putting food on the table, a

house over their heads.

Those are issues that I don't lose sight of, but I have to look at the bigger picture often times of the entire community. That's my obligation as an elected official, and when I do that you have to look at everything that's in play. And that's why we go back again to labor costs and health care, and even the Rec. Center for example. All of these issues that you have to come to a happy medium on, because at the end you have to come to a consensus of what's best for the community as a whole, and not segments of the community, but the community as a whole. That's what I've always tried to do as the mayor of the city, and what I'll continue to do during the balance of my term.

Q: Is that one of the messages you would like to convey to the unions; that while police, firemen and DPW provide daily essential services, that they too should take into account that they are merely a segment of the community landscape?

A: Absolutely. I mean, essential services are just that, essential services, I have no argument with that. But, you have to, as a provider of essential services, those in public safety in particular, and also DPW of course, you can't lose sight of the fact that the public is paying your salary. Not just your salary, but your benefits, and your retirement. Now, do you deserve that, having done a good job? Absolutely, yes, I don't doubt that.

My fight, if you will, to date with any union issue has not been on the issue of being a union. It's not anti-union; it's simply cost containment. And unfortunately, over the years, many many years, prior contracts have brought us to the stage where we are today. Because, unfortunately too many benefits probably in the past, weren't given away, but negotiated, and they were negotiated, I recognize that. There was some trade-off over the years; tit-for-tat if you will.

Q: Do you mean patronage?

A: Well, I think in any form of government or any type of business like this there's bound to be some form of patronage. I don't like to admit that, but that's reality. It's the same (in) every business, and this is a business, city government's a business. Should it happen? Absolutely not. Does it happen? I'm sure it happens in some format. In excess? I don't believe so. I just think it's a question of, years ago it was easier to give away benefits than wages, and that's what was happening back then because it didn't cost that much. The fringe benefits weren't at the costs that they are today. They were cheaper back then, so (they) were easier to give away, easier for the taxpayer to burden.

Things are different today; different landscape. So now you have wages also increasing also in the public sector, great benefit packages by and large. That combination is almost deadly to the profitability of any business. And make no doubt about it; city government should be looking at profitability. Not to the detriment of the taxpayer, but, it's a business, treat it like a business, basic business concepts, productivity, efficiency, economy, all these things. These are things that everybody's talking about around the country today because of the recession in particular. But certainly there are valid concerns that labor has to recognize as well.

And some of our labor force, let's be frank, don't pay taxes in the city. They don't live in the city. Some do and some don't, so basically, is that an issue? For some taxpayers it definitely is. I've heard that from many people, complaining that we don't require our city workforce to all be city residents. That's water under the bridge, that's history when it comes to what I deal with now because the present workforce is what it is.

Q: Is that an issue that gets brought up during contract negotiations?

A: Not during negotiations so much, that's more of a public issue. It's really not something that's really negotiated other than occasionally a reminder that this is, again, it's all taxpayer driven. Provide a customer service, absolutely, but let's do it at the most reasonable and cost effective manner.

Q: VLT funding; are you more or less confident now that Republicans have control of the state Senate that the city will get some of that money back?

A: I'm cautiously optimistic, (*laughing*) to use a phrase. I certainly hope so. I certainly will be working with our elected officials at the state level to pursue that, yet again. Will it happen? Who knows.

Certainly now with the balance more in our favor at the state Senate level it's more of a chance, but we still have an issue with the Assembly of course, and perhaps even the governor's office. We'll have to wait and see. These are new officials that are taking office and we don't know what their stance is going to be on this. Certainly on the VLT issue, on the issue of casino, full casino gambling, being raised at the state level, there may be an opportunity to being back compensation as a host community for casinos, or a racino in particular. So, that's something that may be an opportunity, an avenue to get back to the table, but we'll have to wait and see. Do I advocate for it? Absolutely.

We cannot underestimate the impact of losing that VLT revenue in the city. And that's revenue lost again every single year. And you can argue all you want; should the city have relied upon it in our budget, this and that. That's history, and quite frankly when I took office it was being utilized that way. Was that the best thing to do from a fiscal point of view? Who knows? All we do know is we don't have it right now. And so you do the best with what you have, these are the facts that we were dealt, and we had to deal with it in advocating in behalf of our community.

We also need to be very very careful I believe on the issue of casino gambling in the Catskills. That's another risk to the racing industry, of which we have a very parochial interest as Saratoga Springs of course. This whole casino gambling in the Catskills goes back eight (or) nine years ago when approved at the state level under very different circumstances that exist today in terms of the health of the racing industry in New York State. We didn't have anywhere near the problems that we have today. With the VLT issue with Genting and Aqueduct, the issue of OTB now, in particular New York City OTB being out of business. These are very real threats to the viability of racing statewide, and the impact to Saratoga would be absolutely devastating to curtail racing in any format in our community. I don't even want to think about that, such a catastrophic impact to the city.

So because of that, these are issues that face the racing industry, I do work with NYRA for example, chamber of commerce here held something most recently just a couple of weeks ago with a representative from (U.S.) Senator (Charles) Schumer's office to question the public support that the senator has given to casino gambling in the Catskills. Because we believe that the impact to racing wasn't fully understood or appreciated before taking the stance. No disrespect to the senator, but we are our racing industry, we are advocates of racing here in Saratoga Springs, we understand the impact of racing not just on our community, but the surrounding nine counties; over \$200 million a year being generated as revenue just because the track here in our city, not the racing across the state. So these are very real numbers that unfortunately weren't really taken into account before a public stance was being taken to advocate for casino gambling in the Catskills.

So, that's very real. I think it's important that we speak out against it. I'll be bringing that to the council at the next meeting for a resolution in that regard so we have an official stance on that going to our state leaders, and going further to now our newly elected Congressman Chris Gibson. We'll see if he can impact what would happen on the casino gambling in the Catskills, because the next step really is up to the U.S. Department of the Interior to approve the relocation of an Indian tribe from Wisconsin to the Catskills to operate a casino.

Q: It's all a little confusing...

A: I'm sorry, I don't understand the business plan here. I don't understand how this is a benefit to New York State in any fashion whatsoever, especially when there's no claim being made by this Indian tribe as to having been wrongfully ousted by New York State or our descendents in the past. This is just something that was concocted over a decade ago as an idea to raise revenue in New York State, and to a struggling area in New York State, the Monticello area and the Catskills themselves that of course have seen better days in the past. But, the impact statewide is much greater than a regional impact to the Catskills. And my position and focus always is first and foremost to Saratoga Springs and our local impact. I'm parochial on every aspect when it comes to Saratoga because this is our lifeline. Make no doubt about it. And to have such a specious claim by an Indian tribe that can only be yet another issue that New York State racing has to face and overcome is mind boggling at this point and time.

Since I took office, in my three years, the first issue was the award of franchise to NYRA being stalled. It wasn't happening. It was languishing. I advocated that they get the franchise, and this-and-that, and eventually they did. That was the first issue; that was

enough, to the anxiety of Saratoga Springs. And keep in mind, not only do I hear from my constituents in the community on these issues, that's me as well. I was raised in this community, I live here, (and) I love this community. I'm a racing fan, I always have been. So the idea of not having racing in New York State, in particular Saratoga Springs, is something that to me, it's like a day without sunshine, quite honestly.

Anyway, that's the first year. The second year was the VLT revenue, the award of VLT at Aqueduct. Again, the directed impact to New York State racing and the detriment to New York State racing estimated to be revenue lost of \$1 million a day by not having that up and running already. Now that was enough; finally they award the bid to Genting. Now we have the issue of New York City OTB on top of it. Yet again, an issue that's been outstanding for a long time, ignored at the state level because unfortunately we appear to have state leaders that, at least the majority of them, don't understand the issue or aren't concerned about racing in general in New York State. They have blinders on.

Now, the latest wrinkle to everything is casino gambling in the Catskills. This whole industry is struggling to survive. Breeders, the horsemen, the fans, everybody has a vested interest in this industry, especially in our area. And, every time you turn around there's a new issue being thrown as a potential roadblock to the overall success and viability of racing, and it has to end at some point in time. At a state level, I'm not sure why they can't just plain get it. They don't get it; we advocate, (and) they don't get it. So I guess we just keep advocating, as (The Saratogian) has been doing as well; the countdown on OTB on the editorial page every day. That's the kind of thing that at least keeps the issue in the forefront.

Q: Does it give you any comfort that as this latest crises comes to the fore, it seems like the officials involved have come out and almost unanimously said that while some of the harness tracks may close and Aqueduct may not be as successful as expected, Saratoga is where the entire industry will likely be focused into the future?

A: Does it give me satisfaction that Saratoga is more insulated? Sure it does. Does it give me any satisfaction that the entire state of New York Racing is being addressed? No.

I do not personally want to see Saratoga Springs become more of a year-round operation. I don't believe our community wants that degree of a meet here, that length of a meet here in the community. I remember when it was 24 days, originally, truly just the month of August. And that's just all well and good, and the expansion now to where it is, most people accept it and like it, some don't. As a community, we always have issues to deal with as a host community that we're able to contain as a seasonal tourism site for racing. We're more than that of course year-round as a tourist destination, we know that, but for racing that's our prime meet.

So, is it some consolation that Saratoga is being protected, if you will? Yes, but I don't believe you can operate the industry based on Saratoga Springs alone. I don't really see how that works as a business model. I'd be surprised if it did.

Q: There needs to be racing at these other locations?

A: I believe so. There was talk about maybe eliminating Aqueduct and just having Belmont, but then the people who depend for their livelihoods on Aqueduct are impacted. That's why the VLT location at Aqueduct was chosen; (it) made sense to utilize a much underutilized facility and location. But, I just can't imagine the extent of the meet that would have to be run here at Saratoga to make, for example, NYRA to be able to post a profit.

I don't see it. To me it doesn't work as a business plan, but I could be convinced otherwise if need be. If it came down to no racing versus racing only at Saratoga, of course I'd side with Saratoga, but I'd rather not see that. I think the importance of racing to the entire state has to be recognized and dealt with because it's overdue.

Q: Another piece of ongoing litigation is with Saratoga Citizen regarding their charter change proposal. In 2011, are you going to appoint a charter review commission?

A: As I previously stated publically, as well as to you on a number of occasions; I have not commissioner this charter reform group to date because of my awareness of this citizen group moving forward with their proposal. I did not want to be viewed, or

be actually, the force that stopped it in its tracks. I believe that given the effort put in by this group that they should have their proposal at least vetted, aired to the community, and see if there is sufficient support. I could've actually formed a commission to study the charter and in doing so stopped their efforts in (its) tracks under the law, New York State Law. Again, I did not do that, I didn't think it would be fair to them.

However, and the big however is, that was not to rubber stamp what they were doing. Where we are today in terms of litigation and not certifying their petitions to place it on the ballot for approval by voters is because they failed, we believe as a city, they failed to meet the legal requirements under New York State Law. We didn't make it up; it's in the law, in particular the fiscal note being absent. The cost; the projected cost of both transition to the new government and then the operational cost of that government. That is something that we received legal opinion on, from outside attorneys, again to remove it from the council as being accused of playing politics or taking positions or even self-dealing because our positions may be at stake. To eliminate any doubt of interference by the council, and impropriety by the council, the council decided to hire counsel, outside counsel, legal counsel, that specializes in this area to give us their opinion.

We did that, and during their analysis, the attorneys' analysis, to give us an opinion back that we can rely on. I purposefully stayed outside the entire process; did not have phone calls with them, did not indicate my concerns at all. I wanted to hear their independent opinions about any claim or any risk or interference to reach a result. And of course they came back with the opinion that it was not sufficient and should not be certified, and that's why now we're in court, that's being challenged.

I'm not sure what more the council could have done to really serve the entire community interest, because not everyone in the community is in favor of this. And we as elected officials must be always careful on any issue in the community that we're taking into account everybody's concerns and interests, both for and against an issue. And that is why we decided to have the analysis done by the outside counsel, to see where it's going. Is this an issue that is dead? No, it's in court right now. We're still waiting for the court's determination on the merits of the case. But, I still want to give this group and those that are advocating, those that signed the petitions in support of it, give them their fair opportunity on the issue.

And, will I form a commission at some point in the future? Most likely, because I think that's my responsibility and obligation to the community. Will I do that to interfere with the ruling on these issues before the court? No. I don't think that would be fair to those advocating the change.

Q: So until this is resolved you've got no plans...

A: No. I believe in the court process anyway, that's my background for 26 years. So I believe in the process, I'm content to await the court's determination in that regard. And again, I haven't taken a position on it publicly despite some people saying I have, I have not. I've never given you my position, because I have not stated that publicly. I want the court to determine this, and that's because this issue is so important to the community.

You're not talking about just a minor change of things; this is changing the basic way you do business in city government. There can't be any more fundamental change than changing the form of government. The stakes are very high, and the stakes are so high that you can't run the risk of not getting it right, right meaning following the law, that's what we're talking about here. We'll see what happens in that regard. Is this a good time to change your form of government, when we're in the midst of the great recession, the biggest recession since the Great Depression? I'm sure most people would probably say, "No," to that question. Does that mean that I'm against it? No, I'm not stating my position, and I will not state my position until I time I think is appropriate.

For me, by the way, it's a lose-lose to take a public position. If I come out and say for example that I'm against it, people will say, "He's just protecting his fiefdom." His role in government is being protected because he's opposing the change. If I come out for it then people say, those that are against the charter change will say, "What is he doing? He's not listening to us. He's taking a position to try and influence the process." That was one of the issues that was at play when this was last before the city, when it was voted down, is some people in the community believing that it was improper to take a public position on it. And I agree with that, so I have not done that, not because I don't have an opinion, just that I think it's improper for me to voice it given the competing interests at stake and the fact that I'm an elected official. I'm the designate CEO under our present charter. I think its

best left to the court to determine.

- At the end of this interview, Johnson indicated he was unsure if he would seek reelection in 2011 and would consult his family before making that decision. Because his answer was not recorded, it is not reproduced in this transcript.

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