

**PORT JERVIS COMMUNITY DEVELOPMENT AGENCY
(PJEDA)
MEETING MINUTES
WEDNESDAY, AUGUST 28, 2013**

1. ROLL CALL

Chairman, Robert C. Ritchie, called the August meeting to order at 7:00 PM with the following members present:

Robert C. Ritchie, Chairman
Carl V. Hendrick, Vice-Chairman
Gerald Oney, Secretary/Treasurer
Betsy Gardner, Member
Robert Waligroski, Member

Absent

Dean A. Aumick, Member
Marie Reeves, Member

Also present were:

Victoria B. Campbell, PJEDA Counsel
Kathleen Hendrickson, Executive Director

From the Public

Kelly Decker, Councilman-At-Large
Frank Bell, 4th Ward Councilman & City Finance Committee Chairman
Robin Waizenegger, City Clerk-Treasurer

2. MINUTES

A motion was made to approve the minutes of the July 24, 2013 meeting:

Motion: Betsy Gardner 2nd: Robert Waligroski All in Favor

3. FINANCIALS

a. Administrative Bills

PJEDA Director reviewed the administrative bills with members of the Board. PJEDA has already reimbursed the City for April payroll and will be paying May, June and July payrolls within the next month. A lengthy discussion ensued regarding back invoices for payroll and other amounts which are due the city, as discussed at the August 5th meeting held between the PJEDA Board and staff, and representatives of the City including the Mayor, Councilman-At-Large, and City Clerk-Treasurer. The following is a summary of the discussions:

- There are issues regarding the presentation of the bills and format of the financial reports which is unclear and confusing. Chairman Ritchie advised that the monthly report appears to show bills that have already been paid by the Agency. PJEDA Director clarified that the list of bills presented in the report have not been paid but rather are bills that need to be paid between now and the next PJEDA Board meeting. Vice-Chairman Hendrick also agreed that the report is confusing as to the presentation of the bills. Since the Board meets once a month, authorization must be given to pay bills between meetings. Not all monies are available to pay the bills but

when the funds arrive, i.e., such as Small Cities funds due from a drawdown or the monthly deposit of Section 8 administration, bills can then be released for payment, but only with the Board's authorization.

- For payroll, the city issues payroll checks and covers payments for other payroll costs and invoices the PJCDCA for reimbursement, after payment has been made. The Chairman noted that the bills report should reflect that the city had already covered the back payroll. Vice-Chairman Hendricks understands the process regarding the city cutting the checks for payroll and reimbursement by PJCDCA but was unaware that PJCDCA had fallen behind on payroll costs to be reimbursed to the City. Mr. Hendricks further stated that there should be an addendum added to the reports that clarifies what amounts are being paid and to what applicable pay period rather than the current format. PJCDCA Director stated that the forms used were implemented many years ago and have never been updated. However, we can amend these forms so that there is clarity with regards to payment of the bills and the financial status of the Agency.
- Working with the PJCDCA bookkeeper and Accountant, PJCDCA Director needs to modify the current financial reporting systems and forms so that the Board has a clearer understanding of the specific fiscal issues, particularly arrears for payroll costs to the city. Also, PJCDCA Accountant will attend the September meeting of the Board of Directors and brief the members on the financial status of the Agency and the policies and procedures governing administration fees.
- The Agency has been experiencing financial hardship over the last year due to delays in the receipt of Small Cities funds, which PJCDCA was depending on to cover expenses during 2012 and 2013. However, with the federal government sequestration, fiscal conditions have further deteriorated due to cuts in our Section 8 program administration. Historically, we would receive approximately \$14,000 to \$15,000 per month for administration of the Section 8 program. These funds have been drastically cut to less than \$12,000 over the last several months. That, coupled with the lack of receipt of Small Cities funds, has placed a severe financial burden on the Agency.
- A request was made for a review of both expenses and revenues at each Board meeting and identification of the sources of funds where the salaries and other payroll costs are paid from. PJCDCA Director provided a breakdown of payroll for each staff person. Discussion followed regarding available revenues (and expected) to cover past, current and future expenses. PJCDCA Director will provide written documentation showing Agency revenues.
- PJCDCA Director then briefed the Board regarding her efforts in pursuing the process of "de-federalization" of the Agency's program income so that more of the Agency's funds could be used to cover expenses, especially during this financially-stressed time. Since the Agency was recently designated a "sub-recipient organization" by the NYS Office of Community Renewal, PJCDCA Director has been researching the Small Cities CDBG program regulations to see if our new status would bring us any closer to de-federalization. PJCDCA Counsel will take the lead in this endeavor to determine if there are additional avenues that we can explore regarding this matter.

- Robin Waizenegger, City Clerk-Treasurer, recommended the Agency look into having the bookkeeping functions handled by her office. However, as noted by Chairman Ritchie and cited in the 2012 audit report, there may not be sufficient city staff to undertake this task. Furthermore, as a separate, sub-recipient organization, it may not be feasible for the city to handle the Agency's books.
- Another issue raised, which has been a longstanding discussion between the PJCD A Board and the City, is the grant-writing services PJCD A has been providing to the city over many years and the amount of grant monies the Agency has secured for the city, where the Agency has never been compensated. Grant reports covering this grant activity has been provided at previous meetings.
- There was also discussion on the timing of receipt of Small Cities funds. PJCD A Director has already prepared and submitted two (2) drawdown requests for the Beach Road pump house project (938PF141-11), and we have yet to receive our \$8,000 administration from the second drawdown. It was submitted over two (2) weeks ago and should have arrived by now. PJCD A Director is currently working on the 3rd drawdown and reviewing expenses with Vince Lopez to ensure the proper bills are forwarded to the NYS Office of Community Renewal for reimbursement. The 3rd drawdown is for \$7,500 in administration. PJCD A Director plans to submit a total of 2 drawdowns in September. These funds were approved and put in the 2013 budget and should have been available to the Agency months ago to pay expenses. However, there was a delay in starting the Beach Road construction project, which contributed (along with cuts in the Section 8 program administration) in PJCD A falling behind in reimbursements to the City for payroll expenses. The Samaki project (938ED736-11) is being held up due to approval of the environmental review process. The City has experienced several changes in our NYS OCR economic developer representatives which caused delays in the release and certification of funds for the Samaki project. The \$15,000 in program administration for the Samaki program also represents additional monies owed the Agency.
- The City Clerk Treasurer requested information regarding the Agency's sequestration of Section 8 funds. She volunteered to consult with a colleague in another organization that administers Section 8 program funds.
- There was also substantial discussion regarding the organizational structure of the CDA and how its current status impedes access to funds. As a not-for-profit, we could use a greater portion of our program income funds towards administration.
- PJCD A Director explained how the monthly financial statement is prepared. The actual numbers contained in the monthly financial report comes from the corresponding monthly check register that is provided to the Director by the bookkeeper. The check register is generated from the Agency's QuickBooks system.

Chairman Ritchie recommended that we table the financials until the September meeting at which time we will gather more information regarding the use of Small Cities program income for payment of administrative expenses. Also, PJCD A Director will work with the City Clerk Treasurer on a payment schedule for full reimbursement of outstanding payroll costs. The Agency Accountant will come to the September meeting and further

brief the Board. After that, the PJCDA and City will meet once again to determine a further course of action.

A motion was made to pay the bills, listed in the August 28, 2013 report, from Petty Cash to HIA Home Inspection including \$500.00 (Stamps); \$284.02 (Staples); \$80.90 (SunData); \$23.57 (Fax line); \$50.42 (Copier); and \$1,200.00 (HIA Housing Inspector):

Motion: Betsy Gardner 2nd: Gerald Oney All in Favor.

4. DIRECTOR & SECTION 8 PROGRAM REPORTS

PJCDA Director presented her report covering Agency activities during August 2013. Copies of the written report were also distributed to the Board. PJCDA Director brought the Board up to speed with the Beach Road pump station grant. We submitted our first drawdown for \$8,675. The \$8,000 is for Agency administration and the \$675.00 is reimbursement to the City for the project signs. PJCDA Director will be meeting with the DPW Director to go over additional project expenses in preparation for the 3rd drawdown which we expect to submit within the next week. Mr. Lopez requested that only expenses which were pre-approved by Charlie Phillion of the NYS Office of Community Renewal be submitted. All other project expenses will be paid by the City and used as leverage to the Small Cities grant. We are still awaiting an approval and release of funds for the Samaki program. The NYS OCR has been extremely busy with hiring of new staff and our representative, Elizabeth Staubach, is new and being assisted with senior staff to catch up on her workload.

PJCDA has submitted the New York Main Street application to the NYS Office of Community Renewal and an application to the NYS Department of Transportation for the sidewalk repairs. Mr. Decker, Councilman-At-Large, asked about the New York Main Street Grant of \$200,000. He was led to believe that repairs to the 46-48 Front Street building (included in the Main Street application) will be approximately \$175,000, just for the rear wall. PJCDA Director advised that the maximum grant allowance is \$200,000 and that amount is to leverage other potential sources, such as HUD HOME funds from the Orange County CDA and CPC bank funds. However, these funds could not be committed in the application because the funding cycles for the other programs will not be ready until 2014. PJCDA Director has already solicited a developer for the 46-48 Front Street project and he provided a letter of interest for the application. Rehabilitated housing units will be marketed to persons at 90% of Area Median Income, as mandated by the Program.

Final cost for the NYS Department of Transportation project is over \$931,473, with a grant request of \$745,178 and a 20% match by the City of \$186,294. Funds will be used to upgrade the city's sidewalk system from East Main Street (at Water's Edge) down to Kingston Avenue and up Kingston Avenue to the Port Jervis School (HS/ASK).

We received the draft Grant Agreement from the NYS Division of Coastal Resources for the Port Jervis Whitewater Kayak Park planning grant (\$49,000). The draft agreement is currently under review with City Corporation Counsel. Grant funds will be used to cover the cost of the Delaware River Mussels study. However, until the agreement is signed and executed and we have an approved Work Plan, we cannot submit any expenses to the State for payment. Discussion followed.

A motion was made to authorize PJCDA Counsel to negotiate with Advanced Recovery, Inc. on a payment plan for the loan arrears:

Motion: Carl V. Hendrick 2nd: Betsy Gardner All in Favor.

7. SCHEDULING OF NEXT MEETING

The next meeting of the PJCDA Board of Directors is scheduled for Wednesday, September 25, 2013 at 7:00 PM.

8. ADJOURNMENT

There being no further business to come before the Board, the meeting was adjourned at 9:15 PM:

Motion: Robert Waligroski 2nd: Betsy Gardner All in Favor.