

**City of Port Jervis
Finance/Insurance Committee
Minutes for Meeting February 19, 2020**

Present: Committee Members, Kristin Trovei, Dominick Santini, Lisa Randazzo (arrived late) and Gerald Oney Jr. . Also, in attendance were: Councilmembers Stanley Siegel (arrived late), Maria Mann, Mayor Kelly Decker (arrived late) and City Clerk Treasurer Robin Waizenegger.

Excused: None

Finance meeting opened at 6:00 p.m. Chairperson Kristin Trovei opened the meeting with the pledge and invited any member of the public to speak.

Public Comment – None

Cash Flow: Mrs. Waizenegger distributed the actual cash flow results from the last four months of 2019 and forecasts through June 30th, 2020. She indicated that cash flow is tight through April and that inter-fund borrowing will be necessary until collections of City Taxes come in during April. She also indicated that the approximately 1.5 million due to the City from the 2018 FEMA work has not yet been received and her best prediction of receipt is possibly June of this year. She noted that the receipt of these funds will be critical to the repayment of the BAN in October.

Capital Note 2020 – Mrs. Waizenegger distributed the list generated from the 2020 budget process for proposed Capital note items. Mrs. Trovei indicated that through committee discussion the True Narc Test Kit for \$24,000 has been removed. The other item in discussion from the last meeting was the cameras at the Water Plant. The current request will be cameras mounted on the exterior of the building and discussions are continuing regarding camera installation with the union who protested same. It will remain for safety to install cameras on the exterior.

The computer upgrade was questioned and Mrs. Trovei provided information that substantiated the necessity of that item.

Two other items, Night Vision Goggles and UTV Upgrades were questioned with respect to police as to being a necessity or optional by Dominick Santini. Mrs. Trovei stated that she will get clarification via email and eliminate them if not necessary or mandated.

2020 Serial Bond – Mrs. Waizenegger gave the committee a listing of the serial bond requests from the departments totaling \$4,733,900. The committee went over items and started to advise that we delete some of the police equipment, defer the reassessment, delete the Hydro Vac Truck due to the fact that Middletown is going to purchase one so we may get more use of the shared truck, West End Beach paving and eliminating the Farnum House Renovation. Mr. Oney reminded everyone that depending on principal and interest rates and final issuance it was estimated that the impact will be in a range of 2.1-3.2% increase to the tax. The members will take the serial bond requests back to their committees for review and for department head input on the bond requests again.

Old Business:

Tax Lien Updates: The status of the persons in process of being evicted was reviewed. The deadline for the voluntary eviction is 4/30/2020 after that we must go to court for a forcible eviction.

HR Committee Reconvening – The status of the HR Committee was discussed and a possible replacement for David Bavoso was discussed.

Mrs. Trovei reviewed items previously discussed for people arriving late from another meeting. Mayor Decker advocated for retain the Farnum center monies in the bond. He also noted several possible additional sources of revenue for 2021. That are pending including Orange County Sales Tax increases, Congressional member items, potential additional solar

savings, potential USDA funding and police salary savings due to retirements. He discussed the re-assessment and concurred with removing it from the Bond right now.

29-31 Front Street – Mayor Decker reviewed his plan to market the building at 29 Front Street as follows:

- 10-day response from Realtor's (Orange-West, Hawks Nest and ERA Meloi) for offer of posting multiple listing direct for a minimum of 10 days for \$140,000.00. Then open to the city accepting bids (multiple listing will stay until building is sold). How much will they charge us commission of sale and will they charge us a commission if we sell the building on bid.
- Once we have their offer, we will accept the offer most beneficial to the city.
- We will list 29 Front Street on multiple listing at \$140,000.00 for 10 days. It will remain on multiple listing until the building is sold.
- After 10 days on multiple listing the city will put out information on the city's website and Facebook page that for the next 30 days, they will be accepting bids for the property at 29-31 Front Street.
 - o Bids must include:
 - o A purchase price offer to the city (cash, mortgage, loan)
 - o The bidder intent for the building, as well as a plan of action and estimated rehabilitation costs
 - o The bidder must provide documentation that funds are available for the rehabilitation of the building or they are able to acquire funds with a financial institution guarantee.
 - o Bidder must provide a timeline of rehabilitation
 - o Bidder must provide a synopsis of how this will benefit the city, its residents and neighboring businesses.
 - o Bidder must provide a list of other properties they own in the city.
 - o Bidder must provide current projects they have underway
 - o Bidder cannot have any open violations in the city, nor can they have had court appearances on property repairs in the city.
 - o Bidder must provide 3 reputable references regarding their ability to take on a project of this magnitude.
- After the 30 days, any offers will be reviewed by the Finance Committee with input from our City Clerk and Building Official.
- The council could be asked to vote on an offer, recommended by the finance committee, after the April finance meeting, unless of course a realtor comes up first.

Maria Mann questioned why there was a vacant building fee in the 29 Front Street pricing. It was clarified that the vacant building fee was processed while it was owned by the LLC. It was also clarified that a vacant building fee applies when a building is both vacant and has building code violations.

The Mayor stated that he will need the Council to approve moving forward with this sale process.

Maria Mann questioned why the limitation to Port Jervis NY realtors. The Mayor indicated that it is limited to Realty businesses located in the City of Port Jervis and have MLS rights. With the listing being in the MLS system any broker in that system has the ability to sell it.

Kristin Trovei asked if this will be the pro-forma for sales moving forward. The Mayor indicated that this can be a test case for us with commercial properties and Mrs. Trovei indicated that she wants to develop a more comprehensive policy that details different strategies for different types of properties. Other committee members agreed and began to discuss what has worked and what has not worked.

New Business:

Tourism: Maria Mann questioned why the radio ads are so high. Kristin Trovei and Lisa Randazzo both provided input that it has been problematic getting that committee to work effectively and maintain budgets, minutes and approval at the committee level. It was reviewed what actions had been previously taken to attempt to make changes and the concern that if the chairperson walks away is there sufficient resources to continue the work. Maria Mann expressed her thoughts that all of this will work its way out. Mrs. Trovei indicated that is why you as the liaison have been assigned to work with this committee in the wake of the failure of others to be effective in making changes and that it will not work its way out. The Mayor indicated that payments to vendors can be withheld if not approved by vote of the tourism board.

Surplus Vehicles/Equipment - Mrs. Trovei confirmed that we received information from the departments regarding surplus vehicles and equipment to sell them at a future date. A listing of that information was disseminated to the committee. The committee agreed to forward to the Council the declaration of these items as surplus. It was felt that the best resource for the sale will be one of the municipal auction sites which will be left to the discretion of Jack Farr and Robin Waizenegger to place with Auctions International or another company.

32 Church – The committee agreed that the City has no interest in owning this property and not accept it as a contribution. The owner is presently in court for building violations and we are going to let that process proceed.

City Website - The Mayor reviewed the steps he is taking to making the City's website ADA compliant after a complaint was lodged against the City at a cost of \$5000-8000. The only budgeted funds available are \$4000 budgeted for ADA compliance which will have to be addressed with that committee or come out of contingency. The first resource for the change will be the company who designed and currently maintains it.

There was also a discussion regarding the directional bump pads at the curb cuts.

Farnum House Boiler – This item will be addressed with the broader renovation plans.

CSEA Benefits – Mrs. Waizenegger indicated that she will need a resolution of the Council to renew the contracts for CSEA Vision and Dental coverages. She sent a copy of the rates via email with the increases noted as 3%, 6% and 8% in the Dental and no increases in the Vision Coverage.

Orange County Sales Tax - . Mrs. Waizenegger and the Mayor informed the committee that Orange County is projecting an additional 250k for Port Jervis however based on historical data the additional revenue will be 100K. This leaves out the potential that consumers react negatively to the increase and pull back spending. It also excludes impact from Legoland.

Audit – Mrs. Waizenegger noted that the field work will begin 2/24/2020 and that after the 2019 audit the committee will have to decide if they wish to go out to bid for these services for the next three years or renew with Bonadio.

E-Mail – Mrs. Waizenegger explained the incident and the risk of hackers getting into our system through email that resulted in the upcoming secondary authentication activation on our email system set for January 24th. This is a no cost addition. She noted that this process and instructions will be sent to all email users.

Tax Cap Law - Mrs. Waizenegger questioned proposing the Tax Cap Waiver Law #2. She gave the committee an analysis noting that the payroll expense in the budget exceeds the tax levy therefore when you start out your budget 2% of salary is greater than a 2% increase on the levy when you start before anything else occurs.

She also handed out a copy of the recent article that quotes Karin Hablow as citing the Tax Cap Law as the need for the sales tax increase.

Therefore, she recommends passing the Tax cap waiver as a preventive measure should something out of the norm occur. The passage of the waiver does not prevent the Council from controlling costs and increasing revenue with no increase to the taxpayer. It simply prevents any penalty from exceeding the cap limit. She also reminded the committee that 2% is

never 2% due to our PILOT agreements that are done on an increasing basis as that is subtracted from the allowable increase.

It was requested that Mrs. Waizenegger send an email to the entire council detailing some of these items as discussed.

Internal Audit – Mrs. Waizenegger reminded the committee of their obligation to do internal audit of the bills. She needs committee members to come in and audit January and February bills.

Executive Session: None

The meeting was adjourned at 7:48 pm. Next month's meeting – March 18th @ 6:00pm.