

2021
City of Port Jervis
Mayor's Proposed
Budget



Our short term and long-term goals for the City of Port Jervis is to have the opportunity to increase our number of visitors, residents, and businesses by taking advantage of its natural resources and promoting recreation, historical, and arts activities. Additionally, providing the means of affordable single family homeowner housing will continue to draw sustainable businesses and economic growth for the city.

GOAL



Mayor's proposed
3 Year Strategic Plan (2020)
Year 2 of 3 (1st round)

Section 1: Executive Summary
It is the goal of the City of Port Jervis to create an environment in which there is an abundance of opportunities when it comes to employment, housing, services, and recreation. To accomplish this the city elected officials and department heads will use this strategic plan to help identify, correct, design, construct and maintain a comprehensive development plan that articulates the objectives of the city and then create a binding master plan that future councils will continue the work towards the goals set today. The first city master plan appears to be from the early 1970's and such a plan is mandated by the State of New York and will be in the forefront upon completion of the comprehensive development plan later this year.

Section 2:
The area once known by the Lenni Lenape as Mahackamak and settled as Miniskunk by the Dutch is now the City of Port Jervis. The city was once located entirely within the boundaries of the Town of Deerpark, which was created in 1798. Port Jervis was first incorporated as a village in 1853, and then, after being partitioned from the Town of Deerpark, it became a city in 1907. A City is an inhabited place of greater size, population, or importance than a town or village. Cities have the authority and responsibility to provide a variety of local government services directly to its residents including water and wastewater infrastructure, public safety services, economic

2020 City of Port Jervis Projects
Mayor's proposed



The City of Port Jervis is beautifully situated in the twin valleys of the Neversink and Delaware Rivers, and between the Appalachian Plateau and Shawangunk Mountains. It is located near thousands of acres of state parks, forests, game lands, and two National Park Service units - the Delaware Water Gap National Recreation Area and the Upper Delaware State and Recreational River. One could not pick a more beautiful or healthful location to build a community.

The city was once located entirely within the boundaries of the Town of Deerpark, which was created in 1798. Port Jervis was first incorporated as a village in 1853, and then, after being partitioned from the Town of Deerpark, it became a city in 1907. Port Jervis has long been a transportation center. Whether it was a stop on the Delaware River for Native Americans or as it is now, the first rail stop on Interstate 84, it still remains at the center of the region's transportation network.

European settlers first came to the area in the 1600's, and the fertile valley became the home to many farms. Mahackamak, named by the Native American Lenni Lenape (the trail is now an Interstate), was a small settlement located along and near the Old Mine Road (US Route 209). The road carried early Dutch travelers southward to Kingston, New York into the colony of New Jersey. The small community was later sited as about 1850 and replaced along the Delaware and Hudson Canal. The road, built and named Port Jervis in 1827 by a group of investors, was wanted to honor the chief engineer of the canal, John B. Jervis, who was from Raven, New York, with them coming to the area.

The most transportation system was the New York and Erie Railroad, along with the Port Jervis and Monticello which was also purchased by the New York, Ontario, & Western. The New York and Erie arrived in 1847, and a company continued to maintain a major presence here until the 1860s. In the early years of the overgrown rail highways were built that passed through Port Jervis, including US Routes 6, 209 and New York State Thruway. The Delaware and Hudson Canal, built in 1827, was the first major waterway to be built in the area in 1865, Interstate Highway Route 84. The city is now the southernmost entry point for the Delaware State Thruway, and once again a major bypass for the American East people.

City of Port Jervis, New York
3 Year Strategic Program Plan
2020 Year 2 of 3

Project Lead: City of Port Jervis
Report Date: 1/23/2020

Today's Status: 10/26/2020

WBS	Tasks	Task Lead	Start	End	Duration (days)	% Complete	12/31/2020	10/26/2020
1	City of Port Jervis Strategic Plan	Mayor's proposed	1/1/19	12/31/20	365	100%	100%	100%
1.1	City of Port Jervis Strategic Plan	Mayor's proposed	1/1/19	12/31/20	365	100%	100%	100%
1.2	City of Port Jervis Strategic Plan	Mayor's proposed	1/1/19	12/31/20	365	100%	100%	100%
1.3	City of Port Jervis Strategic Plan	Mayor's proposed	1/1/19	12/31/20	365	100%	100%	100%
1.4	City of Port Jervis Strategic Plan	Mayor's proposed	1/1/19	12/31/20	365	100%	100%	100%
1.5	City of Port Jervis Strategic Plan	Mayor's proposed	1/1/19	12/31/20	365	100%	100%	100%
1.6	City of Port Jervis Strategic Plan	Mayor's proposed	1/1/19	12/31/20	365	100%	100%	100%
1.7	City of Port Jervis Strategic Plan	Mayor's proposed	1/1/19	12/31/20	365	100%	100%	100%
1.8	City of Port Jervis Strategic Plan	Mayor's proposed	1/1/19	12/31/20	365	100%	100%	100%
1.9	City of Port Jervis Strategic Plan	Mayor's proposed	1/1/19	12/31/20	365	100%	100%	100%
1.10	City of Port Jervis Strategic Plan	Mayor's proposed	1/1/19	12/31/20	365	100%	100%	100%
1.11	City of Port Jervis Strategic Plan	Mayor's proposed	1/1/19	12/31/20	365	100%	100%	100%
1.12	City of Port Jervis Strategic Plan	Mayor's proposed	1/1/19	12/31/20	365	100%	100%	100%
1.13	City of Port Jervis Strategic Plan	Mayor's proposed	1/1/19	12/31/20	365	100%	100%	100%
1.14	City of Port Jervis Strategic Plan	Mayor's proposed	1/1/19	12/31/20	365	100%	100%	100%
1.15	City of Port Jervis Strategic Plan	Mayor's proposed	1/1/19	12/31/20	365	100%	100%	100%
1.16	City of Port Jervis Strategic Plan	Mayor's proposed	1/1/19	12/31/20	365	100%	100%	100%
1.17	City of Port Jervis Strategic Plan	Mayor's proposed	1/1/19	12/31/20	365	100%	100%	100%
1.18	City of Port Jervis Strategic Plan	Mayor's proposed	1/1/19	12/31/20	365	100%	100%	100%
1.19	City of Port Jervis Strategic Plan	Mayor's proposed	1/1/19	12/31/20	365	100%	100%	100%
1.20	City of Port Jervis Strategic Plan	Mayor's proposed	1/1/19	12/31/20	365	100%	100%	100%
1.21	City of Port Jervis Strategic Plan	Mayor's proposed	1/1/19	12/31/20	365	100%	100%	100%
1.22	City of Port Jervis Strategic Plan	Mayor's proposed	1/1/19	12/31/20	365	100%	100%	100%
1.23	City of Port Jervis Strategic Plan	Mayor's proposed	1/1/19	12/31/20	365	100%	100%	100%
1.24	City of Port Jervis Strategic Plan	Mayor's proposed	1/1/19	12/31/20	365	100%	100%	100%
1.25	City of Port Jervis Strategic Plan	Mayor's proposed	1/1/19	12/31/20	365	100%	100%	100%
1.26	City of Port Jervis Strategic Plan	Mayor's proposed	1/1/19	12/31/20	365	100%	100%	100%
1.27	City of Port Jervis Strategic Plan	Mayor's proposed	1/1/19	12/31/20	365	100%	100%	100%
1.28	City of Port Jervis Strategic Plan	Mayor's proposed	1/1/19	12/31/20	365	100%	100%	100%
1.29	City of Port Jervis Strategic Plan	Mayor's proposed	1/1/19	12/31/20	365	100%	100%	100%
1.30	City of Port Jervis Strategic Plan	Mayor's proposed	1/1/19	12/31/20	365	100%	100%	100%
1.31	City of Port Jervis Strategic Plan	Mayor's proposed	1/1/19	12/31/20	365	100%	100%	100%
1.32	City of Port Jervis Strategic Plan	Mayor's proposed	1/1/19	12/31/20	365	100%	100%	100%
1.33	City of Port Jervis Strategic Plan	Mayor's proposed	1/1/19	12/31/20	365	100%	100%	100%
1.34	City of Port Jervis Strategic Plan	Mayor's proposed	1/1/19	12/31/20	365	100%	100%	100%
1.35	City of Port Jervis Strategic Plan	Mayor's proposed	1/1/19	12/31/20	365	100%	100%	100%
1.36	City of Port Jervis Strategic Plan	Mayor's proposed	1/1/19	12/31/20	365	100%	100%	100%
1.37	City of Port Jervis Strategic Plan	Mayor's proposed	1/1/19	12/31/20	365	100%	100%	100%
1.38	City of Port Jervis Strategic Plan	Mayor's proposed	1/1/19	12/31/20	365	100%	100%	100%
1.39	City of Port Jervis Strategic Plan	Mayor's proposed	1/1/19	12/31/20	365	100%	100%	100%
1.40	City of Port Jervis Strategic Plan	Mayor's proposed	1/1/19	12/31/20	365	100%	100%	100%
1.41	City of Port Jervis Strategic Plan	Mayor's proposed	1/1/19	12/31/20	365	100%	100%	100%
1.42	City of Port Jervis Strategic Plan	Mayor's proposed	1/1/19	12/31/20	365	100%	100%	100%
1.43	City of Port Jervis Strategic Plan	Mayor's proposed	1/1/19	12/31/20	365	100%	100%	100%
1.44	City of Port Jervis Strategic Plan	Mayor's proposed	1/1/19	12/31/20	365	100%	100%	100%
1.45	City of Port Jervis Strategic Plan	Mayor's proposed	1/1/19	12/31/20	365	100%	100%	100%
1.46	City of Port Jervis Strategic Plan	Mayor's proposed	1/1/19	12/31/20	365	100%	100%	100%
1.47	City of Port Jervis Strategic Plan	Mayor's proposed	1/1/19	12/31/20	365	100%	100%	100%
1.48	City of Port Jervis Strategic Plan	Mayor's proposed	1/1/19	12/31/20	365	100%	100%	100%
1.49	City of Port Jervis Strategic Plan	Mayor's proposed	1/1/19	12/31/20	365	100%	100%	100%
1.50	City of Port Jervis Strategic Plan	Mayor's proposed	1/1/19	12/31/20	365	100%	100%	100%

Our Past Budgets

- 2020 City of Port Jervis Budget: \$17,180,356.00 that was a 2.04% increase from the 2019 Budget.
- History:
 - 2019 – 2.97%
 - 2018 – 8.13%
 - 2017 – 7.66%
 - 2016 – 8.54%
 - 2015 – 1.26%
- The large adjustments in 2016, 2017 and 2018 were understood through the strategic plan to make up from the loss revenue, additional project expenses and fund balance in order to begin to have a balanced budget and maintain growth for the city.

2021 Where it begins?

- **Projected 2021** budget before COVID-19 was **\$172,993** or **2.59%** due to contractual increases without any other budget changes.
- The 2021 2% Tax Cap for the City of Port Jervis is actually **1.52%**
- In order to stay under the tax cap and deal with some normal budget adjustments we would have seen the following changes:
 - Contingency reduced from \$105,000 (2020) to **\$55,000** (2021) Currently the city has only used about \$35,000 of contingency in 2020) for a positive **.85%** change.
 - DPW Vehicle lease that amounted to **\$8,681** or gives a positive **.13%** change.
 - Removing the unfilled HR position of **\$40,000** for a positive **.62%** change.
 - Additional Sales Tax Revenue and Mortgage Tax probably would have been seen as conservative pushing the mayor's proposed budget perhaps lower than this number but.
- The 2021 Mayor's Proposed budget would have come in at around **2.51%**

Why Vote for the Tax Cap Waiver even if the budget were to stay under the Tax Cap?

- In 2021, the city was set to see a potential of larger taxable projects completed as well as an expansion of the taxable base for the city.
- Voting against the tax cap waiver does not allow that growth to become part of the 2021 budget in the next fiscal year and must be absorbed into the existing budget causing no sustainable growth for the city.
- That additional growth becomes revenue that helps keep taxes lower but doesn't help pay for the expenses that are always on the rise.

THE ISSUES

- So the city comes into 2021 needing to pass the tax cap waiver for sustainable growth and should be able to stay close to the 2% tax cap BUT

COVID-19 PANDEMIC HITS

OUR COSTS

2021 % increase
2.51%

7.41%

11.54%

11.77%

13.19%

15.27%

COVID-19 RELATED EXPENSE ON THE CITY ISSUES:

- Reduction in Sales Tax Revenue for 2020 and 2021 along with the Governor of the State of New York Andrew Cuomo stealing off the top to the amount of **4.90%** of our budgeted amount or **\$315,671.00**.
- Reduction in State Aid Revenue for 2020 and 2021 by the Governor of the State of New York Andrew Cuomo stealing from our taxpayers **4.13%** of our budgeted amount or **\$266,336.00**.
- Reduction in Aid to Municipalities (AIM) by the Governor of the State of New York Andrew Cuomo stealing from our tax payers **.23%** of our budgeted amount or **\$14,917.00**.
- NYS Increase in Retirement Rates based on the 3/31 actuarial date of **1.42%** or **\$91,160.00**.
- A totally unexpected increase believed to be a NYS governmental shift of Administration Fees by the NYS Government of NYSHIP Health Insurance of **2.08%** or **\$134,000.00**.

2021 % increase
15.27%

OUR COSTS

16.05%

16.28%

16.45%

16.56%

OTHER COVID-19 RELATED ISSUES:

- A decrease in our Court Revenues of **.78%** that we will see continue for at least half of 2021 in the amount of **\$50,000**.
- A decrease in a Parking Ticket Fines of **.23%** that we will see continue for at least half of 2021 in the amount of **\$15,000**.

NEW EXPENSES NOT COVID-19 RELATED:

- Orange County Garbage Increase **.17%** of our budgeted amount or **\$10,750.00**.
- Cost for ongoing utilities not seen to run new police cameras **.11%** or **\$7,000.00**.

WHAT TO DO 1st...

CUTS:

- **I approached both the Police and CSEA Unions to ask for a 1 year PAUSE. This would help by 2.69% or \$172,993.**
- **There response was that it wasn't appropriate to change the terms of their contracts.**
- **I also asked the PBA to allow the city to not put into the 2021 budget the contractually obligated 18th officer positions (currently not filled) in which they gave me a verbal ok.**
- **Not getting that 2.69%, I needed to look elsewhere in the 2021 budget to cut.**
- **Here are the cuts I propose...**

WHAT TO CUT

2021 % increase
16.56%

15.20%

12.81%

12.42%

11.41%

11.34%

CUTS:

- Remove the budgeted but not filled 19th officer (non-contractual) for a savings of **1.36%** or an amount of **\$87,666.00**.
- Remove 2 Vacant DPW positions (laborer & MEO1) that are currently unfilled for a savings of **2.39%** or an amount of **\$154,220**.
- Reduce contribution to the Community Development Agency (CDA) for a savings of **.39%** or an amount of **\$25,000.00**.
- Remove the cost of the City Engineer acting as the building official for a savings of **1.01%** or **\$65,000.00**.
- Reduce the Summer Recreation Program from 7 weeks to 5 weeks for a savings of **0.07%** or **\$4,608.00**.

WHAT TO CUT

2021 % increase
11.34%

10.87%

10.83%

10.05%

9.89%

9.75%

CUTS:

- Cut \$30,000.00 from the Dispatcher line for a savings of **0.47%** or an amount of **\$30,000.00**.
- Remove the increase set by the Common Council 2 years ago to raise the Mayor's Salary by \$2,500.00 per year until such time the position equals that of surrounding area part time supervisors for a savings of **0.04%** or an amount of **\$2,500.00**.
- Realize a \$50,000 increase for City Clerk Tax Search fees for a savings of **0.78%** or an amount of **\$50,000.00**.
- Realize a \$10,000 increase for Mortgage Tax for a savings of **0.16%** or **\$10,000.00**.
- **0%** increase to Non Contractual employees for a savings of **0.14%** or **\$8,835.00**.

2021 % increase
9.75%

WHAT TO CUT

8.39%

CUTS:

- Remove the unfilled contractual 18th officer for a savings of **1.36%** or an amount of **\$87,666.00**.

WHAT ABOUT FUND BALANCE?

What About Fund Balance?

Recommended savings of 10%-15% of overall budget or \$1.4 -\$2.1 million.

Fund Balance: although not actual money in the bank its what the city has beyond the budget.

2014 – less than \$200,000.00

2020 – around \$1,500,000.00

**Yes, fund balance can be used for a raining day
BUT except for offsetting a temporary shortfall
it should not be used for balancing a budget.
This often happens in Municipal Government.**

**We will be using Fund Balance for the shortfalls
in the 2020 budget but we must balance the
2021 budget as to not create a gap moving
forward.**

WATER AND SEWER

- No Increase in Water Rates
- There needs to be an increase in Sewer Rates of \$6.00 a month (\$18.00 a quarter) to comply with the DEC Consent Order.
 - This past year was paid for through a grant that is not foreseeable to repeat.
 - Work is performed by our now trained DPW employees on equipment we purchased through the CDBG grant that allows us to keep cost about ½ of what contractors would charge the city to do the same work.

DO YOU HAVE OPTIONS AND WHAT IS THE COST?

- Our employees save us tens to hundreds of thousands of dollars by doing the work that contractors would do making expenses double.
- How are other municipalities staying under the Tax Cap?
 - City of Kingston using \$1.3 million dollars of Fund Balance to balance their budget.
 - City of Beacon using \$2.1 million dollars of Fund Balance to balance their budget.
 - City of Middletown's 2% tax cap is actually 3.4% but is taking a gamble that all sales tax will return as to original projections and all state imposed holds will return.
 - Orange County will see a deficit of \$40 million that will come from Fund Balance
- This needs to be made up next year or when they run out of fund balance there will be major cuts or dramatic tax increases.

MAYOR'S PROPOSED BUDGET

- I hand the Common Council the Mayor's 2021 Budget with a **8.39%** increase.
- What does this mean to the average tax payer? The Average Tax Payer in the City of Port Jervis pays approximately \$1,700.00 in city taxes. A 8.39% tax increase equates to an increase in taxes on the average of \$142.63 or \$11.89 per month.
- You can accept this budget as is but understand that the tax cap waiver will need to be passed.
- You can cut more but I assure you the cutting is in the form of laying off employees (approximately 6-7) as budget lines are barely equaling expenses.
- **A 8.39% tax increase and a rise in Sewer Fees will cost the average Port Jervis Taxpayer \$17.89 per month to maintain all services.**
 - Imagine if the council were to cut garbage to every other week to save money. Most people would need to take a bag or two or three to the dump on the week garbage isn't picked up. The county charges \$3.00 per bag for garbage. If you took three bags on your two off (non-pickup) weeks it would cost you \$18.00 a month.
- This is a very conservative budget and should we stick to the Strategic Plan put in place we could see prospering again before the end of 2021. As the council has seen, our Moody's Bond rating would have excelled to A3 this year but was held steady because of COVID-19. Following through on this budget would see that bond rating go up after this pandemic is over.