

**City of Port Jervis
Finance/Insurance Committee
Minutes for Meeting March 24, 2021**

Present: Committee Members, Kristin Trovei, Lisa Randazzo, Dominick Santini and Gerald Oney Jr. Also, in attendance were: Council members Stanley Siegel, Regis Foster, Maria Mann, Tim Simmons Mayor Kelly Decker, City Clerk Treasurer Robin Waizenegger and Deputy City Clerk Treasurer Bobbie Jo Muller.

Finance meeting opened at 6:00 p.m.

Mrs. Trovei led all in the pledge of allegiance.

Public Comment - No public present.

CDBG & CWSRF for Sewer Infrastructure – Valerie Maginsky, PJCDA Director, she disbursed a copy of letter dated January 10, 2019 which offered to the City zero percent interest financing as part of the negotiations stemming from the NYS DEC Consent order. This was negotiated when the replacement costs were estimated at 99 million. She indicated that now that we are doing re-lining versus replacement that the City will need to obligate the funding by June 25th of this year. It is estimated that we could use 12-20 million depending on the estimates being developed right now. The City will have to act quickly to reserve the funding and will have to take the loan in two increments over the next 3-5 years. She indicated that this is part of the plan that is necessary to be in place to also qualify for additional CDBG funds. The paperwork to be submitted by June will take until December of 2021 to close so this will be funds for work beginning in 2022.

The Mayor asked how this fits into the long-term budgeting for the sewer fund.

Robin Waizenegger responded by indicating that this year's budget was done based on the City having to do the re-lining project with City Funds. These budgeted funds would then be needed in future years for loan payments instead of direct spending. She also indicated that additional increases in the sewer fee could be needed by the time the second draw on the loan is done. She also explained that the loaned funds will allow the City to purchase additional equipment to put additional crews in the field each summer and the City would own the equipment with no grant assurances so when the project is completed it could then re-sell the duplicative equipment to other municipalities.

It was asked when sewer increases would have to happen again. Valerie Maginsky reminded everyone that a goal of \$1500 for combined sewer and water fees was set by the NYS to be charged to residents. Mrs. Waizenegger stated that we have the ability to raise the sewer rates more slowly as we need to cover the debt payments as long as we are showing good faith effort in increasing the rates.

Maria asked about restrictions. Mrs. Maginsky referred her to the letter from EFC.

The members present discussed the feasibility of doing the multiple crews. Most agreed that multiple crews will be necessary. Mrs. Maginsky noted that as these are loaned funds it can cover labor, equipment and administrative costs. As a loan, outside of the stated purpose of sewer repair, the funds are then under the control of the City.

Capital Note & Serial Bond – Mrs. Trovei noted that we had to do a capital note issue very quickly due to information from our bond counsel with an estimated schedule of items. We are still receiving requests from different departments and are considering approval to change the items. The police have indicated that while the funds approved will not cover all of their needs they will live with the allotment. There was an allotment of \$13,000 for DPW for which a list is pending from the DPW Director. Mrs. Waizenegger did indicate that she

specifically put in funds for computer equipment for the building department based on the Windows 10 upgrades which let her know that they have some older machines. Mr. Oney expressed that he first would like to know about Covid expenses. Mrs. Waizenegger reminded him that a Capital Note is for hard equipment only not any operating expenses.

The Committee then shifted to the next agenda item.

COVID Expenses & Cares Act Revenues – The Mayor reviewed the allotment history in the value of revenue of \$940,000 coming to the City of Port Jervis versus other municipalities. Mrs. Waizenegger distributed a copy of an analysis of Covid expenses and revenue shortfalls that can be supplanted by Cares Act funds as edited for the most recent funding information. The Mayor indicated that rules are still being formulated for additional spending and a second infrastructure package. He indicated that we would need to have projects shovel ready. He discussed pre-engineering planning for projects of the underpass, reservoir runoff systems, demolitions of City owned properties, DPW Building replacements including the Franklin Street storage buildings. He also indicated that he wants to do an auction of City owned properties as soon as possible to see what we can sell versus demo. He would also like to sell the Franklin Street properties.

He reiterated that he wants to spend any leftover cares act monies after the COVID Expenses on engineering to get all City projects ready to go. Committee members discussed the needs and the resources which may be insufficient. Mr. Oney indicated that there obviously are no monies left for buying additional Capital note items above the \$50,000 Capital Note for equipment which was here he was trying to go.

The committee members also discussed the seemingly unfair allocations of the Cares Act between entitlement and non-entitlement cities.

In summary the Cares Act funding will cover our COVID Expenses from 2020 and potentially in 2021 with an amount of approximately \$267,000 for other projects. It was also noted that the Cares act funding will be coming in two pieces, one-half this year and one-half next year through the State of New York while entitlement cities receive it directly. Mrs. Waizenegger indicated that as the funds are not viable, yet she will have to record it in 2021 and 2022, it cannot be accrued into 2020. She also indicated that federal sources distrust NYS in the dissemination of funds.

Underpass engineering – The Mayor informed the committee that there is still some open discussion regarding responsibility for the underpass between NYSDOT and the railroad.

Selling Tax Lien Properties - The committee then discussed the possible limits on the spending as some sources have indicated that approved uses of funds could be limited to water, sewer and broadband. No cares act funding can be used for any recurring expenses such as staffing.

Mrs. Waizenegger noted that property auctions are fine but that currently we cannot due to emergency orders and two properties are still occupied so they will have to be sold with the tenants as evictions are still restricted. It was noted that the sale of the tax lien properties will be at a loss.

It was agreed by the Committee to do a resolution to move forward with another auction as soon as possible and they reviewed the list of properties with respect to inclusion in the auction.

The committee discussed the possibility of sale of Franklin Street, but it was delayed until a full plan could be done for the relocation of the stored items.

Annexation – Mrs. Waizenegger distributed a recollection of the monies associated with the work to date by Barton & Loguidice. The Mayor stated that he has heard after several delays from Barton & Loguidice, and they indicated that they will need an additional \$38,000 to evaluate surrounding properties to the annexation. After a

meeting with the property owners there are additional requests for information from Barton & Loguidice and a follow-up meeting with all parties as been scheduled. Mrs. Trovei indicated that she wants a timeline of required actions as she is concerned about Deerpark not passing a tax cap waiver timely enough to move the project forward. Mr. Siegel inquired about this impacting our sewer processing limit with NYSDEP. The Mayor indicated that it should not as the agreement is based on residential properties without regard for commercial development and in addition, we are not close to our gallon limits. So far, the DEC and DEP have not been involved.

The Mayor indicated that he must leave for another meeting, but he will be sending the Council information on a White-Water park development in New England. He also asked the committee for permission to explore option to a "Key to the City award" and explore using award coins instead with a vote once he has more information. Plaque and coin options were discussed and the committee urged the Mayor to move forward.

It was noted that Gerald Oney left the room to attend the CDA meeting electronically as they needed him for a quorum.

Capital Note & Serial Bond – As this agenda item was interrupted Mrs. Trovei re-addressed the fact that she is still awaiting information from several departments but that she did receive a request today from the Fire Department for a boat trailer at \$8,600. It was clarified with Tim Simmons that the Fire Department was able to get a grant for a new boat but that the grant did not include a trailer and that the new boat will not fit the old trailer of the boat being replaced.

Mrs. Trovei asked if the trailer could be a serial bond item. Mrs. Waizenegger indicated that as of right now the whole serial bond issued will have to be devoted to the bridge and the cost overruns unless additional funding is received. Mr. Siegel asked what will happen if the City refuses to pay the additional cost. Mrs. Waizenegger indicated that it would result in multiple lawsuits and risk future funding from DOT. Mr. Siegel stated that the City did not agree to do all of this. Mrs. Waizenegger indicated that the commitment to this bridge was done by the City at some point prior to November of 2004 when she came on board.

She referred to the summary done in email of the cost overruns. Mr. Siegel suggested again that we not pay. Mrs. Waizenegger stated that unfortunately we are bound by contract which the City Attorney can advise him on. She indicated that all resources for bonding will have to used for the bridge. The Mayor is attempting to schedule a meeting with appropriate authorities to try and get additional funding for the bridge.

Mrs. Waizenegger also informed the committee that Capital Markets has sent us information regarding a possible bond refinancing option, but she has had to inform them that at this point that would have to wait to be piggybacked on to the bond issue the fall.

Mrs. Trovei indicated that we do have serial bond requests from several departments that are now on hold pending bridge funding information. Mr. Simmons related the importance to the fire department of replacing trucks requested. The departmental needs are recognized but the recent information on the bridge have complicated everything.

Mr. Simmons also indicated that the fire department might consider downsizing but that limits the availability when equipment is down which is problematic. Mrs. Waizenegger used this as an example of why we need to increase the tax base through the annexation and recovery of Orange County as a whole to support our tourism efforts. Also purchase of standardized trucks was discussed to make repairs more readily accessible.

Mrs. Trovei stated that the items for building, recreation and mayor's office could be reallocated to the boat trailer which would a total of \$9000 that could be reallocated. However, the committee would like to have information from the DPW before it reallocates it all to the Fire Department.

It was noted that the rush issuance of the Capital Note was necessitated due to a change in enforcement of regulations and Mrs. Waizenegger note that going forward you deadline will be in March of each year.

A decision after much debate was made to request the relocation of funds for \$8,600 toward a boat trailer and request again a listing of items within the \$13,000 allocated to DPW to modify the items on the capital note.

Audit - Mrs. Waizenegger reported to the committee that we have completed the planning stage of the audit remotely and will moving into the field work phase for April and Bonadio has us scheduled for field work the third week of April. They just got permission to come back out physically to clients so they may actually be on site for a day or two instead of doing everything remotely.

Insurance - Mrs. Waizenegger reported that our broker is excited that our current carrier, Tokio Marine, is pleased with our experience ratings and he anticipates a good renewal pricing from them. She also reviewed that fact that cyber coverage is now industry wide being moved out of general policies and will be a sperate line of coverage which is the one area where we could see increased costs. It was noted that timing of meetings in May are close at 5/19 and will require the Council to empower the finance committee to make the renewal decision.

Old Business – One item of old business for record keeping and reminder purposes by Mrs. Waizenegger is that annually we have legal collection issues with Deerpark customers who previously we would shut off to get their attention but due to COVID we cannot do shut-offs and The City will have to pursue these accounts as soon as COVID restrictions are lifted.

New Business – Mrs. Waizenegger asked the finance committee for advice regarding the correction of speakers during public comment who give incorrect or false information. The committee debated the issue and chose not to address the comments but rather to emphasize the fact that public comment is to be on agenda items only.

Meeting went into Executive Session at 7:52 pm regarding the topic of Personnel Search.

Meeting reconvened and adjourned at 8:20pm.

Next Meeting April 21, 2021 at 6:00 pm in the Council Room.