

**FINANCE AND BUDGET COMMITTEE
AUGUST 20, 2020
CITY OF PLATTSBURGH COMMON COUNCIL CHAMBERS
MINUTES
4:15 PM**

Roll Call: Chair Councilor Kelly, Councilor Moore, Mayor Read

Others Present: Councilor Barbell, Councilor Brodi

Absent: Councilor Gibbs, Councilor McFarlin

1. REPORTS FROM DEPARTMENT REPRESENTATIVES AND DISCUSSION WITH COUNCILORS:

Councilor Kelly discussed the following and provided supporting documents which are made part of the minutes of this meeting.

1. Structural Deficit Review
2. Reserves Checklist

2. AGENDA ITEMS BROUGHT FORWARD FROM DEPARTMENTS TO BE APPROVED BY COMMITTEE AND RECOMMENDED TO COUNCIL:

1. Request that the Common Council approves a budget transfer of \$800.00 from Corporation Counsel Fees for Services (11420000-4440) to Community Development Capital Outlay (16330000-3000) for the unbudgeted cost of acquisition of land adjacent to the Reeves Lane properties owned by the City of Plattsburgh. The budget transfer will not increase appropriations for the General Fund budget and will not require the use of the Unassigned Unappropriated Fund Balance in the General Fund.
2. THE GOVERNANCE STRATEGY AND CITY OPERATIONS COMMITTEE SELECTS BONNIE BLACK TO SERVE ON THE PUBLIC SAFETY CITIZENS REVIEW PANEL EFFECTIVE AUGUST 21, 2020
3. THE GOVERNANCE STRATEGY AND CITY OPERATIONS COMMITTEE SELECTS HERB CARPENTER TO SERVE ON THE PUBLIC SAFETY CITIZENS REVIEW PANEL EFFECTIVE AUGUST 21, 2020
4. Request from City Planner Malana Tamer that the Common Council authorize the Mayor to enter into a Memorandum of Understanding (MOU), in a form approved by the Corporation Counsel, with the Plattsburgh Housing Authority and the Samuel f. Vilas Home to pursue a competitive application for an economic development Community Development Block Grant

(CDBG) and to authorize the Mayor to execute all necessary applications and grant related documentation.

- 5. Request from Project Coordinator Ethan Vinson that the Council accepts and authorizes the property owner to enter into a contract with the lowest priced, qualified selected bid for "Downtown Grant Program – 33 Bridge Street Facade" for renovation work related to the 33 Bridge Street project pursuant to the Downtown Grant Program Administrative Plan.

By Councilor Kelly; Seconded by Councilor Moore
(RC) Roll call: Chair Councilor Kelly, Councilor Moore, Mayor Read
(All voted in the affirmative)

3. OLD BUSINESS: None

4. NEW BUSINESS

Additional item added and moved to the Agenda:

- 1. Request that the Mayor be authorized to sign a supplemental legal services agreement with Miller, Mannix, Schachner & Hafner, LLC dated August 20, 2020.

By Mayor Read; Seconded by Councilor Moore
(RC) Roll call: Chair Councilor Kelly, Councilor Moore, Mayor Read
(All voted in the affirmative)

Motion to Adjourn by Councilor Moore; Seconded by Mayor Read
(RC) Roll call: Chair Councilor Kelly, Councilor Moore, Mayor Read
(All voted in the affirmative)

MEETING ADJOURNED: 4:48 pm

Projections of General Fund Budget Scenarios 2017-2024 - make changes in green shaded areas

FISCAL YEAR	2017-2020		2021-2024 New Normal			
	2019	2020	2021	2022	2023	2024
ASSUMPTIONS:						
expenses inflation (1) (2) (3)						
property tax base increase (4)	3.15%	3.15%	0.00%	2.00%	2.00%	2.00%
permanent non-property revenue increase (+) or decrease (-)	0.54%	3.87%	0.96%	1.24%	1.24%	1.24%
addition(+) or reduction (-) to permanent long term revenue (5)	0.00%	0%	1.00%	2.00%	2.00%	2.00%
addition(+) or reduction (-) to long term debt service at 10 year bond rate of 2.263%	\$0	\$0	\$1,165,041	-\$552,548	\$0	\$0
permanent expense increase from adjustment list	\$0	\$0	\$0	-\$66,730	-\$25,331	-\$815
other addition(+) or reduction (-) to permanent expenses (7)						
one-time increase (+)/reduction(-) to revenue (5)	\$0	-\$612,494	-\$154,249	\$0	\$0	\$0
one-time increase (+)/reduction(-) to expenses from adjustment list	\$0	-\$12,213	\$0	\$0	\$0	\$0
one-time increase (+)/reduction(-) to expenses - see budget shortfall lists (8)	\$0	\$0	\$0	\$0	\$0	\$0
other one-time increase (+)/reduction(-) to expenses for capital project BANS	\$0	\$0	\$0	\$494,342	\$489,349	\$478,349
Tax Base	\$953,142,286	\$990,008,763	\$999,537,077	\$1,011,931,337	\$1,024,479,285	\$1,037,182,828
property tax mill rate increase	1.990%	-4.495%	-15.00%	0.00%	0.00%	0.00%
Non-property revenue	\$12,559,936	\$11,400,175	\$12,076,441	\$11,825,616	\$12,113,533	\$12,396,850
PILOT or other property revenues	\$253,568	\$248,129	\$248,129	\$248,129	\$248,129	\$248,129
property tax revenue	\$11,631,377	\$11,536,602	\$9,899,275	\$10,022,026	\$10,146,299	\$10,272,114
total structural (long term) revenue	\$24,444,881	\$23,184,906	\$22,691,358	\$22,095,771	\$22,507,962	\$22,917,093
total estimated expenses	\$22,542,156	\$23,869,168	\$23,569,265	\$23,402,349	\$23,428,202	\$23,901,002
total estimated expenses with further anticipated reductions below:	14.13%	13.22%	-\$2,324,252	\$22,791,518	\$23,328,202	\$23,851,002
City Tax Levy Increase since 2016			-2.84%	-1.63%	-0.41%	0.82%
City Property Tax Rate (orange above state recommendation, red unconstitutional)	1.220%	1.165%	0.9904%	0.990%	0.990%	0.990%
Average Annual Tax Increase for Home assessed at: \$147000	\$32	-\$81	-\$257	\$0	\$0	\$0
Additional Permanent Proposed Reductions Not In Current Year Structural Budget (9)			\$1,045,013	\$460,331		
Additional Temporary Proposed Reductions Not In Current Year Structural Budget (10)			\$200,000	\$150,000	\$100,000	\$50,000

A “When to Use Reserves” Pandemic Checklist

Instructions: Consider each of the four questions and subquestions below. Use the answers to these questions to decide how whether or not to use reserve funds

1. How is the organization's general financial health? _____

_____ Is there a structural deficit hidden within?

_____ Does the organization normally maintain adequate or better reserves?

_____ Does it adhere to a well constructed, up-to-date, long-term financial plan — one based on tested assumptions, intelligently projected into the future and spanning at least five years?

2. Can reserves be maintained? _____

_____ Can the reserves be quickly replenished without financially crippling the organization?

_____ Is the immediate crisis a one-year event?

3. Are there opportunities for operational improvement?

_____ For example, should changes in processes or practices that have been forced by the crisis, such as teleworking and virtual meetings, or other improvements to operations be continued after the pandemic?

_____ If so, do they require additional investment now to be successful into the future?

4. Are there good alternatives to using reserves?

_____ Is leadership simply taking the easier political path? What about reorganization, changes in services or service levels, partnerships with other jurisdictions, downsizing, or looking for innovative ways to reduce operational costs?

This checklist was adapted from the governing.com website:

https://www.governing.com/finance/The-Tricky-Question-of-When-to-Tap-Budget-Reserves.html?utm_term=The%20Tricky%20Question%20of%20When%20to%20Tap%20Budget%20Reserves&utm_campaign=It%27s%20Uncomfortable%3A%20A%20Mayor%27s%20Life%20During%20the%20Pandemic&utm_content=email&utm_source=Act-On+Software&utm_medium=email