

It's hot. I watched the city council work session Monday 8/8/22.

You can watch it here:

<https://www.facebook.com/mountvernonny/videos/3568239043433925>

You can access the referral packet here:

<https://cmvny.com/DocumentCenter/View/3632/August-10-2022-City-Council-Referral-Package-PDF?bidId=>

Two items caught my attention, both involve increasing our payroll costs, which is a real concern given our highly uncertain financial position.

1. The fire dept. is requesting approval for the Urban Renewal Agency to use HUD/CDBG grant money to purchase 4 ambulances at a total cost of a little over \$1.2M. At present, the city contracts with Empress for ambulance service (2 full time and 1 part-time ambulance) at a budgeted cost of \$500k. The plan is to end the contract with Empress and bring the service "in-house". In addition to the \$1.2M vehicle cost, the city will need to hire new employees to staff the vehicles- EMTs and paramedics. Initially, the new positions will be funded with ARPA dollars for "at least 2 to 3 years", according to Commissioner Norman. However, at some point ARPA dollars will no longer be available and at that point the local tax base will need to absorb the cost of these additional employees and vehicle maintenance.

The written request appears in the referral packet on pages 50-51. Fire Commissioner Deborah Norman appeared at the work session to answer questions from the city council members. The entire discussion occurred from minutes 48:30 to 1:00:42 of the meeting.

For me, the most important moment of the exchange came when Council member Browne asked Commissioner Norman, *"Can you speak to the cost/benefit analysis that was conducted to determine whether or not this was beneficial to the city?"*

This is what Commissioner Norman said in response: *"As you stated, it is not cheap but, again, when we first started years ago I believe it was somewhere around \$350 to \$370 thousand that we first, you know, were paying because they're [inaudible] workers and by contract they have to get raises and things of that nature. The prices always go up. Again, the city, we're spending that money and we don't even have enough ambulances. It's true, we don't. So, we might as well go ahead and get ambulances, get our people on it, and start up an operation. It's not going to be cheap, but we are doing analysis of what it costs us, the whole 9 yards, how much an EMT, how much paramedics per hour, things of that nature. So, there's a whole big piece as you said. We don't say it lightly like it's a piece of cake, but we will be doing our due diligence and keep it real aggressive and things along the way."*

So, basically, the answer Commissioner Norman gave boils down to this: no cost/benefit analysis was conducted to determine whether or not this new, very costly project, will be beneficial to the city. And yet, none of the council members pressed this point. Why? In fact, earlier in the exchange, Council President Thompson said he thinks this is a great idea, *"because that would also save the city money in the long run and also improve our response time."* But how can he know this to be true without modeling costs and projected revenues?

Regarding the potential social impact, in the written request (last sentence of p.50), Commissioner Norman writes *"After careful analysis and planning by city leaders the need for more ambulances is evident to support the citizens of the city."* Where is this "careful analysis"?

Which “city leaders” conducted this analysis? Why isn’t it in the referral packet? Why aren’t they appearing in front of the city council and the public to present it?

Maybe this project is the right thing to do socially and financially. My concern is not with the merits of the project, my concern is with the process. Shouldn’t the city council *and the public* be provided with a detailed analysis of the social benefits and financial impact of this new venture before any decisions are made?

2. The Mayor’s office is requesting that the city council adopt legislation to defund a URA grant funded “Director of Homeless Services” position, and allow the cost of fringe benefits associated with 3 “budget specialist” positions at the URA to be absorbed into the city budget. The written requests for this action can be found on pages 60 to 74 of the referral packet.

A few concerns with this request.

i. Based on the Cost Benefit Analysis sheet, the “Fringe Cost” is extremely high. For example, the Wages & FICA for the “Budget Specialist III” are listed as \$104,306 and the “Fringe Cost” on top of that salary is listed as \$66,621. That’s a 64% benefit, far above the norm. Why is that? My concern is that it has something to do with outstanding prior period benefit liabilities accrued by the URA. For example, see my comments on the October 19, 2021 URA meeting where it was revealed that, as of September 2021, the URA had roughly \$850k in prior period benefit liabilities that must be absorbed by the city budget because the costs cannot be paid with current URA grant dollars <https://img1.wsimg.com/blobby/go/ad3bd875-7cd3-4b34-8216-5f00574bf0ca/downloads/Comments%20re%20Oct%2019%2021%20URA%20Meeting%2010.22.21.pdf?ver=1659025139729>

If the plan is to increase the benefit rate on these 3 budget specialist positions in order to absorb some of the \$850k in outstanding benefit liabilities (now closer to \$1M), I think the city should seriously reconsider.

ii. In the cost/benefit analysis, it isn’t clear why the present value discount rate is set at 2%? I’m glad to see a cost/benefit analysis but methods and assumptions should be explained.

iii. The city council is given “3 options” to choose from:

Option A: Adopt this suggested legislation,

Option B: Rely on NYS to operate these programs, and

Option C: *“In the event that the fringe benefits are not covered by the City, the MVURA will schedule a meeting with the Governor’s office to discuss having them administer the CDBG and HOME programs on behalf of the city. The City will lose its entitlement status and will not have a role on how the funds are administered. This occurred with the Section 8 program.”*

But these are NOT the only three options. For example, Option 4: *the URA could learn to operate more efficiently so that administrative costs fall within the margins allowed by HUD- 20% for CDBG and 10% for the HOME allocation. To do this they could seek to add only 2 budget specialist positions instead of 3, and they seek to could trim back on the enormous fringe benefit costs.*

Deputy Commissioner Bolivar tried to leverage the need to get caught up on the audits in her Q & A with the city council members (beginning at minute 1:34:40). I don’t find that very persuasive. One thing I’ve noticed about recent URA spending (and, sadly, I’ve read the 2 most recent CAPAR reports more than once): it trends toward large equipment purchases, such as a fire truck, or a subgrant to a not-for-profit. A few large purchases are far easier to audit than a

lot of small ones. For example, it's much easier to audit a single purchase of one million dollars than it is to audit a million purchases of one dollar each.

My concerns are these:

1. Rigorous process. Where is the analytical rigor in the decision-making process? Where is the intellectual rigor? We cannot afford to move forward without intellectual and analytical rigor. I have no doubt that it exists in city hall, so please step. It. Up. Show us. Inspire us with rigorous process.

2. City Council push back. Where are the hard questions? We (the public) aren't there to ask the questions, so you have to do it for us. That's one of the reasons we elected you. If you ask a commissioner for details about a cost/benefit analysis and they can't provide them, tell them to come back when they can. Get the message out: "if you come to the city council chamber with a request, you had better bring your A game, because nothing less will do."

I'm not an outlier. I'm right in the thick of it. There are thousands of city residents who want what I want. I'm sure of it. They are as convinced as I am that the way forward- *probably the only way forward*- is by way of a steadfast commitment to operational excellence.