



CITY ADMINISTRATION COMMITTEE

Date: May 20, 2020
Time: 6:00 PM
Location:
<https://youtu.be/JHui7-66aDA>

AGENDA ITEMS

Item	Voting Item?	Presenter(s)	Time Allotted
1. Call to Order	No	Chair, Deb Mohlenhoff	
1.1 Agenda Review			
1.2 Review and Approval of Minutes Approval of March 18, 2020 Minutes	Yes	*Note: Submit public comment here: http://www.cityofithaca.org/FormCenter/City-Administration-Committee-17/Public-Comment-Form-96	15 Mins*
1.3 Statements from the Public *Submitted comments will be summarized and read into the record.			
1.4 Council's Response			
2. Consent			
3. Finance, Budget and Appropriations			
3.1 Annual Approval of Access Oversight Budget	Yes	Rob Gearhart, AOC Liaison	10 Min
3.2 Home Rule Request for Hotel & Motel Taxes	Yes	Ari Lavine, City Attorney	20 Min
3.3 Reduction of Outside Funding	Yes	Steve Thayer, Controller	15 Min
3.4 Increase to Capital Project for Financial Software Improvements	Yes	Steve Thayer, Controller	5 Min
3.5 Approval of Bond Resolutions	Yes	Steve Thayer, Controller	5 Min
4. City Administration, Human Resources and Policy No submitted items			
5. Discussion			
5.1 Budget Update	No	Steve Thayer, Controller	10 min
6. Meeting Wrap-Up	No	All	5 Min
6.1 Announcements			
6.2 Next Meeting Date: June 17, 2020			
6.3 Review Agenda Items for Next Meeting			
6.4 Adjourn			

If you have a disability that will require special arrangements to be made for you to fully participate in the meeting, please contact the City Clerk at 274-6570 at least 48 hours before the meeting.

This meeting can be viewed via livestream on: <https://youtu.be/JHui7-66aDA>

3. Finance, Budget and Appropriations

.1 Approval of AOC Recommended Budget for 2021

WHEREAS, Section 15.12 of the Franchise Agreement of January 2003 between the City of Ithaca and the franchisee Time Warner Entertainment-Advance/Newhouse Partnership (TWC), subsequently assigned to Charter Communications, Inc. (d/b/a Spectrum Networks) after Charter's 2016 acquisition of TWC, requires the participating municipalities (City of Ithaca, Town of Ithaca, Village of Cayuga Heights) to provide the franchisee with an annual written budget for Public, Educational and Governmental access operations (PEG) by June 30 of each calendar year, and

WHEREAS, the Franchise Agreement authorizes Charter Communications to collect \$0.15 per subscriber per month to be used for the purchase of equipment for the PEG Access Studio, and

WHEREAS, the City of Ithaca's Ordinance #2003-17, Par 18-4-G, requires the Access Oversight Committee (AOC) to provide the Participating Municipalities with a recommended annual budget by May 31 of each calendar year, and

WHEREAS, the AOC has reviewed PEG's current equipment and anticipates that new or replacement equipment will be needed,

WHEREAS, at their regular meeting on May 5, 2020, the AOC recommended earmarking up to \$20,000 as contingency to purchase equipment as needed for the functioning of PEG operations, now therefore be it

RESOLVED, that the Common Council of the City of Ithaca accepts the AOC recommended budget for Spectrum Network's 2021 annual budget for Public, Educational and Governmental access.

3. Finance, Budget and Appropriations

.2 Home Rule Request to New York State for the Enactment of an Act to Amend the State Tax Law, in Relation to Authorizing the City of Ithaca to Establish Hotel and Motel Taxes

WHEREAS, on February 5, 2020, Common Council adopted a resolution stating the City's "commitment to pursue a City of Ithaca hotel occupancy tax and commitment to provide a shared financial guarantee with Tompkins County", and

WHEREAS, on March 11, 2020 Common Council adopted a resolution which had as its subject a "Commitment to terms between the City of Ithaca and Tompkins County and the City of Ithaca and the DIA in support of the City's financial guarantee for the Community Conference Center project", and which included a commitment to "Establish a hotel room occupancy tax to support the Conference Center or, if such a hotel room occupancy tax is unsuccessful in being authorized, establish a City tourism improvement district (TID) to generate the required revenues from the lodging industry for the Conference Center", and

WHEREAS, new state enabling legislation specific to the City of Ithaca is required for the City to have the power to enact a local law establishing a City of Ithaca hotel occupancy tax, and

WHEREAS, Assemblywoman Barbara Lifton and Senator Tom O'Mara have introduced identical bills in the NY Assembly and NY Senate – Assembly Bill Number A.10414 and Senate Bill Number S.08331 – which have as their title "An act to amend the tax law, in relation to authorizing the City of Ithaca to establish hotel and motel taxes", and have as their Purpose, "To authorize the City of Ithaca to enact, at local option, a room occupancy tax on hotel, motel and 'b & b' room rentals, with revenues to be used for the construction, promotion, maintenance, capital improvements, operation and other expenses of a conference center in the City of Ithaca", and

WHEREAS, a formal home rule request from the City of Ithaca citing the specific bill numbers is required to be delivered to both the Assembly and Senate before the bill can be advanced in the Legislature, and

WHEREAS, this formal home rule request may be made by the Mayor as long as it is concurred by a majority of the total membership of the Common Council, and

WHEREAS, if passed by the Legislature and signed into law, Common Council will be authorized to enact a local law establishing the new City room tax in support of the Conference Center project under terms provided by this state enabling legislation; now, therefore, be it

RESOLVED, that the City of Ithaca Common Council does hereby request that the NY State Senate adopt Bill Number S.08331 and that the NY Assembly adopt Bill Number A.10414.



CITY OF ITHACA

108 E. Green St. — Third Floor Ithaca, NY 14850-5690

DEPARTMENT OF PLANNING AND DEVELOPMENT

JoAnn Cornish, Director

Planning & Development – 607-274-6550

E-Mail: dgrunder@cityofithaca.org

Community Development/IURA – 607-274-6565

To: City of Ithaca Common Council, City Administration Committee

From: Tom Knipe, Deputy Director for Economic Development

Date: May 14, 2020

Re: Request to New York State Legislature to Enact Legislation Authorizing the City of Ithaca to Establish Hotel and Motel Taxes in Support of the Downtown Community Conference Center

Council has previously adopted two resolutions – on February 5th, 2020 and on March 11th, 2020 – committing to pursuing a City of Ithaca hotel occupancy tax in support of the Conference Center project. Over the past couple of months, City staff have been working with Assemblywoman Barbara Lifton and Senator Tom O’Mara to introduce the necessary state enabling legislation. [Senate Bill Number S.08331](#) and [Assembly Bill Number A.10414](#) are now in the process of being introduced. The purpose of these identical bills is: “To authorize the City of Ithaca to enact, at local option, a room occupancy tax on hotel, motel and “b & b” room rentals, with revenues to be used for the construction, promotion, maintenance, capital improvements, operation and other expenses of a conference center in the City of Ithaca.”

The rules of the NY State Legislature require a formal Home Rule request to be submitted by the City prior to the legislation being moved and voted upon. Under the procedures of the Legislature, the signature of the Mayor, plus a resolution adopted by a majority of Common Council citing the specific bills that are subject to the request are required as part of this process. The purpose of the attached resolution is to formally request the State Legislature to pass a law authorizing the City to create the new hotel room occupancy tax.

Conference Center Project Status

Since the March 11th Council vote committing to the lease guarantee with the Vecino Group and financial terms with the County, DIA and Downtown hotels, Vecino has moved forward substantially with design, engineering, and architectural work for the Green Street Garage Redevelopment project. The project schedule is being driven largely by the need to have an approved building permit by November 2020 in order to close by the end of the year on financing with the NYS Housing Finance Agency (HFA) for the affordable housing component of the project. The project is currently on pace to have completed site plan review by early fall and to have their building permit by November. The IURA has also substantially progressed on finalizing the MOU between Vecino and the City on the overall project.

Other progress has included the hiring of a Conference Center project manager, work on creation of the Conference Center organizational entity, and exploration of opportunities to secure additional funding for the Conference through COVID-19 recovery funding that is being rolled out by both NY State and the federal government.

I am available to answer questions about this resolution at tknipe@cityofithaca.org.

Attached:

- Draft Common Council Resolution
- “Memorandum in Support of Legislation” accompanying the Assembly bill
- Draft State Legislation (the bills can also be accessed online: <https://nyassembly.gov/leg/?term=2019&bn=A10415>)

NEW YORK STATE ASSEMBLY
MEMORANDUM IN SUPPORT OF LEGISLATION
submitted in accordance with Assembly Rule III, Sec 1(f)

BILL NUMBER: A10415

SPONSOR: Lifton

TITLE OF BILL: An act to amend the tax law, in relation to authorizing the city of Ithaca to establish hotel and motel taxes

PURPOSE OR GENERAL IDEA OF BILL: To authorize the City of Ithaca to enact, at local option, a room occupancy tax on hotel, motel and "b & b" room rentals, with revenues to be used for the construction, promotion, maintenance, capital improvements, operation and other expenses of a conference center in the City of Ithaca.

SUMMARY OF PROVISIONS: **Section 1.** Adds a new section 1202-gg to the Tax Law as follows: (1) authorizes the City of Ithaca to adopt local laws imposing a tax of up to 5% on hotel or motel room rentals, including "bed and breakfast" and other tourist facilities; (2) City's chief fiscal officer may collect and administration said tax; (3) local law may provide that the tax is to be paid to and collected by the owner of the hotel, motel, bed-and-breakfast or tourist facility; (4) local law may provide for the filing of returns and payment of tax on a periodic basis; (5) exempts government entities, religious, charitable and educational organizations and organizations for the prevention of cruelty to children or animals; (6) provides for review of the determination of the amount of tax payable, in accordance with Article 78 of the Civil Practice Law and Rules; (7) provides for review in situations where taxes may have been improperly collected and a refund has been applied for and denied, in accordance with Article 78 of the Civil Practice Law and Rules; (8) limits any additional assessment of tax to 3 years from the date of filing of a return; (9) provides that all revenues from such tax be paid into the treasury of the City of Ithaca -- which may keep up to 4% of the total revenue for expenses of administering the tax -- with the balance to be allocated to the construction, promotion, maintenance, capital improvements and operations of a City of Ithaca conference center, as well as other related activities and costs; (10) separability clause; (11) limits each enactment of a local law pursuant to this act to a period of no more than 3 years from its effective date; **Section 2.** Effective immediately.

JUSTIFICATION: This bill would grant the City of Ithaca the authority to enact an occupancy or "room" tax on hotel and motel room rentals. The revenues collected are to be deposited into a fund for the purposes of funding construction, promotion, maintenance, operation, and other expenditures of a conference center in the City of Ithaca. This conference center project was recently the recipient of \$5 million in Empire State Development grant funds; revenues generated with this occupancy tax will supplement grant and local funds being used to pay costs associated with this conference center.

PRIOR LEGISLATIVE HISTORY: New bill.

FISCAL IMPLICATIONS FOR STATE AND LOCAL GOVERNMENTS: None to the state. Positive local fiscal impact from room tax collections.

EFFECTIVE DATE: Immediately.

Legislative Bill Drafting Commission
15769-02-0

S. -----
Senate

IN SENATE--Introduced by Sen

--read twice and ordered printed,
and when printed to be committed
to the Committee on

----- A.
Assembly

IN ASSEMBLY--Introduced by M. of A.

with M. of A. as co-sponsors

--read once and referred to the
Committee on

TAXLA
(Authorizes the city of Ithaca to
establish hotel and motel taxes)

Tax. Ithaca occupancy tax

AN ACT

to amend the tax law, in relation to
authorizing the city of Ithaca to
establish hotel and motel taxes

The People of the State of New
York, represented in Senate and
Assembly, do enact as follows:

IN SENATE

Senate introducer's signature

The senators whose names are circled below wish to join me in the sponsorship
of this proposal:

s15 Addabbo	s02 Flanagan	s09 Kaminsky	s25 Montgomery	s23 Savino
s52 Akshar	s55 Funke	s07 Kaplan	s20 Myrie	s32 Sepulveda
s46 Amedore	s59 Gallivan	s26 Kavanagh	s58 O'Mara	s41 Serino
s36 Bailey	s05 Gaughran	s63 Kennedy	s62 Ortt	s29 Serrano
s30 Benjamin	s12 Gianaris	s28 Krueger	s21 Parker	s51 Seward
s34 Biaggi	s22 Gounardes	s24 Lanza	s19 Persaud	s39 Skoufis
s57 Borrello	s47 Griffo	s01 LaValle	s13 Ramos	s16 Stavisky
s04 Boyle	s40 Harckham	s45 Little	s61 Ranzzenhofer	s35 Stewart-
s44 Breslin	s54 Helming	s11 Liu	s48 Ritchie	Cousins
s08 Brooks	s27 Hoylman	s03 Martinez	s33 Rivera	s49 Tedisco
s38 Carlucci	s31 Jackson	s53 May	s56 Robach	s06 Thomas
s14 Comrie	s60 Jacobs	s37 Mayer	s18 Salazar	s50
s17 Felder	s43 Jordan	s42 Metzger	s10 Sanders	

IN ASSEMBLY

Assembly introducer's signature

The Members of the Assembly whose names are circled below wish to join me in the
multi-sponsorship of this proposal:

a049 Abbate	a053 Davila	a128 Hunter	a037 Nolan	a099 Schmitt
a092 Abinanti	a072 De La Rosa	a029 Hyndman	a144 Norris	a076 Seawright
a084 Arroyo	a034 DenDekker	a104 Jacobson	a069 O'Donnell	a052 Simon
a107 Ashby	a003 DeStefano	a097 Jaffee	a051 Ortiz	a036 Simotas
a035 Aubry	a070 Dickens	a011 Jean-Pierre	a091 Otis	a005 Smith
a120 Barclay	a054 Dilan	a135 Johns	a132 Palmesano	a118 Smullen
a030 Barnwell	a081 Dinowitz	a115 Jones	a002 Palumbo	a022 Solages
a106 Barrett	a147 DiPietro	a077 Joyner	a088 Paulin	a114 Stec
a060 Barron	a016 D'Urso	a040 Kim	a141 Peoples-	a110 Steck
a082 Benedetto	a048 Eichenstein	a131 Kolb	Stokes	a010 Stern
a042 Bichotte	a004 Englebright	a105 Lalor	a058 Perry	a127 Stirpe
a079 Blake	a074 Epstein	a013 Lavine	a023 Pheffer	a102 Tague
a117 Blankenbush	a109 Fahy	a134 Lawrence	Amato	a071 Taylor
a098 Brabene	a061 Fall	a050 Lentol	a086 Pichardo	a001 Thiele
a026 Braunstein	a080 Fernandez	a125 Lifton	a089 Pretlow	a033 Vanel
a138 Bronson	a126 Finch	a009 LiPetri	a073 Quart	a116 Walczyk
a093 Buchwald	a008 Fitzpatrick	a123 Lupardo	a019 Ra	a055 Walker
a142 Burke	a124 Friend	a129 Magnarelli	a006 Ramos	a143 Wallace
a119 Buttenschon	a046 Frontus	a064 Malliotakis	a062 Reilly	a112 Walsh
a094 Byrne	a095 Galef	a130 Manktelow	a087 Reyes	a041 Weinstein
a133 Byrnes	a137 Gantt	a108 McDonald	a043 Richardson	a024 Weprin
a103 Cahill	a007 Garbarino	a014 McDonough	a078 Rivera	a059 Williams
a044 Carroll	a148 Giglio	a146 McMahan	a068 Rodriguez	a113 Woerner
a047 Colton	a066 Glick	a017 Mikulin	a027 Rosenthal, D.	a056 Wright
a032 Cook	a150 Goodell	a101 Miller, B.	a067 Rosenthal, L.	a096 Zebrowski
a085 Crespo	a075 Gottfried	a038 Miller, M. G.	a025 Rozic	a012
a122 Crouch	a021 Griffin	a020 Miller, M. L.	a149 Ryan	a031
a039 Cruz	a100 Gunther	a015 Montesano	a121 Salka	a136
a063 Cusick	a139 Hawley	a145 Morinello	a111 Santabarbara	
a045 Cymbrowitz	a083 Heastie	a057 Mosley	a090 Sayegh	
a018 Darling	a028 Hevesi	a065 Niou	a140 Schimminger	

1) Single House Bill (introduced and printed separately in either or
both houses). Uni-Bill (introduced simultaneously in both houses and printed
as one bill. Senate and Assembly introducer sign the same copy of the bill).

2) Circle names of co-sponsors and return to introduction clerk with 2
signed copies of bill and: in Assembly 2 copies of memorandum in support, in
Senate 4 copies of memorandum in support (single house); or 4 signed copies
of bill and 8 copies of memorandum in support (uni-bill).

1 Section 1. The tax law is amended by adding a new section 1202-gg to
2 read as follows:

3 § 1202-gg. Hotel or motel taxes in the city of Ithaca. (1) Notwith-
4 standing any other provisions of law to the contrary, the city of Itha-
5 ca, Tompkins county, is hereby authorized and empowered to adopt and
6 amend local laws imposing in such city a tax, in addition to any other
7 tax authorized and imposed pursuant to this article such as the legisla-
8 ture has or would have the power and authority to impose upon persons
9 occupying hotel or motel rooms in such city. For the purposes of this
10 section, the term "hotel" or "motel" shall mean and include any facility
11 providing lodging on an overnight basis and shall include those facili-
12 ties designated and commonly known as "bed and breakfast" and "tourist"
13 facilities.

14 The rates of such tax shall not exceed five percent of the per diem
15 rental rate for each room, provided however, that such tax shall not be
16 applicable to a permanent resident of a hotel or motel. For the
17 purposes of this section the term "permanent resident" shall mean a
18 person occupying any room or rooms in a hotel or motel for at least
19 thirty consecutive days.

20 (2) Such tax may be collected and administered by the chief fiscal
21 officer of the city of Ithaca by such means and in such manner as other
22 taxes which are now collected and administered by such officer or as
23 otherwise may be provided by such local law.

24 (3) Such local laws may provide that any tax imposed shall be paid by
25 the person liable therefor to the owner of the hotel or motel room occu-
26 ped or to the person entitled to be paid the rent or charge for the
27 hotel or motel room occupied for and on account of the city of Ithaca
28 imposing the tax and that such owner or person entitled to be paid the

1 rent or charge shall be liable for the collection and payment of the
2 tax; and that such owner or person entitled to be paid the rent or
3 charge shall have the same right in respect to collecting the tax from
4 the person occupying the hotel or motel room, or in respect to nonpay-
5 ment of the tax by the person occupying the hotel or motel room, as if
6 the tax were a part of the rent or charge and payable at the same time
7 as the rent or charge; provided, however, that the chief fiscal officer
8 of the city, specified in such local law, shall be joined as a party in
9 any action or proceeding brought to collect the tax by the owner or by
10 the person entitled to be paid the rent or charge.

11 (4) Such local laws may provide for the filing of returns and the
12 payment of the tax on a monthly basis or on the basis of any longer or
13 shorter period of time.

14 (5) This section shall not authorize the imposition of such tax upon
15 any transaction, by or with any of the following in accordance with
16 section twelve hundred thirty of this article:

17 a. The state of New York, or any public corporation (including a
18 public corporation created pursuant to agreement or compact with another
19 state or the Dominion of Canada), improvement district or other poli-
20 tical subdivision of the state;

21 b. The United States of America, insofar as it is immune from taxa-
22 tion;

23 c. Any corporation or association, or trust, or community chest, fund
24 or foundation organized and operated exclusively for religious, charita-
25 ble or educational purposes, or for the prevention of cruelty to chil-
26 dren or animals, and no part of the net earnings of which inures to the
27 benefit of any private shareholder or individual and no substantial part
28 of the activities of which is carrying on propaganda, or otherwise

1 attempting to influence legislation; provided, however, that nothing in
2 this paragraph shall include an organization operated for the primary
3 purpose of carrying on a trade or business for profit, whether or not
4 all of its profits are payable to one or more organizations described in
5 this paragraph.

6 (6) Any final determination of the amount of any tax payable pursuant
7 to this section shall be reviewable for error, illegality or unconstitu-
8 tionality or any other reason whatsoever by a proceeding under article
9 seventy-eight of the civil practice law and rules if application there-
10 for is made to the supreme court within thirty days after the giving of
11 the notice of such final determination, provided, however, that any such
12 proceeding under article seventy-eight of the civil practice law and
13 rules shall not be instituted unless:

14 a. The amount of any tax sought to be reviewed, with such interest and
15 penalties thereon as may be provided for by local law or regulation
16 shall be first deposited and there is filed an undertaking, issued by a
17 surety company authorized to transact business in this state and
18 approved by the superintendent of financial services of this state as to
19 solvency and responsibility, in such amount as a justice of the supreme
20 court shall approve to the effect that if such proceeding be dismissed
21 or the tax confirmed the petitioner will pay all costs and charges which
22 may accrue in the prosecution of such proceeding; or

23 b. At the option of the petitioner such undertaking may be in a sum
24 sufficient to cover the taxes, interests and penalties stated in such
25 determination plus the costs and charges which may accrue against it in
26 the prosecution of the proceeding, in which event the petitioner shall
27 not be required to pay such taxes, interest or penalties as a condition
28 precedent to the application.

1 (7) Where any tax imposed pursuant to this section shall have been
2 erroneously, illegally or unconstitutionally collected and application
3 for the refund thereof duly made to the proper fiscal officer or offi-
4 cers, and such officer or officers shall have made a determination deny-
5 ing such refund, such determination shall be reviewable by a proceeding
6 under article seventy-eight of the civil practice law and rules,
7 provided, however, that such proceeding is instituted within thirty days
8 after the giving of the notice of such denial, that a final determi-
9 nation of tax due was not previously made, and that an undertaking is
10 filed with the proper fiscal officer or officers in such amount and with
11 such sureties as a justice of the supreme court shall approve to the
12 effect that if such proceeding be dismissed or the tax confirmed, the
13 petitioner will pay all costs and charges which may accrue in the prose-
14 cution of such proceeding.

15 (8) Except in the case of a wilfully false or fraudulent return with
16 intent to evade the tax, no assessment of additional tax shall be made
17 after the expiration of more than three years from the date of the
18 filing of a return, provided, however, that where no return has been
19 filed as provided by law the tax may be assessed at any time.

20 (9) All revenues resulting from the imposition of the tax under the
21 local laws shall be paid into the treasury of the city of Ithaca and
22 shall be credited to and deposited in the general fund of the city. The
23 city shall be authorized to retain the necessary revenue, in an amount
24 not to exceed four percent of the total revenue, to defer the expense of
25 the city in administering such tax and the balance of such revenues
26 shall be allocated to the construction, promotion, maintenance, capital
27 improvements, and operations of a conference center in the city of Itha-
28 ca and other directly related and supporting activities, including all

1 financial costs and obligations incurred by the city related to the
2 creation of such conference center.

3 (10) If any provision of this section or the application thereof to
4 any person or circumstance shall be held invalid, the remainder of this
5 section and the application of such provision to other persons or
6 circumstances shall not be affected thereby.

7 (11) Each enactment of such local law may provide for the imposition
8 of a hotel or motel tax for a period of time no longer than three years
9 from the effective date of its enactment. Nothing in this section shall
10 prohibit the adoption and enactment of local laws, pursuant to the
11 provisions of this section, upon the expiration of any other local law
12 adopted pursuant to this section.

13 § 2. This act shall take effect immediately.

3. Finance, Budget and Appropriations

.3 Resolution Authorizing Mayor and City Controller to Close Proposed Budget Deficit via Reduction in Funding to City-Funded Organizations

WHEREAS, the shutdown of the economy in response to the COVID-19 crisis has seriously impacted City revenues, resulting in a projected budget deficit for 2020 of between \$4 million and \$13 million due to decreased sales tax collections, decreased parking revenues, decreased trash tag revenues, likely reductions in state aid, and reductions in other revenue sources; and

WHEREAS, just weeks ago the Common Council authorized and the City instituted the furlough of approximately 87 City employees, the temporary discontinuation of virtually all City-provided youth services, adjustments to staff benefits, and various other reductions targeted at realizing approximately \$5.4 million in savings from the 2020 budget; and

WHEREAS, the services of many of the organizations funded by the City have, like a variety of City services, been curtailed or put on hold because delivery of those services has not been permissible due to the Governor's executive order to put New York on Pause; and

WHEREAS, in addition to furloughing numerous employees, Tompkins County has also announced reductions in funding to organizations sponsored by the County by 25% of the third-quarter funding allocations previously budgeted by the County, equivalent to an annual reduction of 6.25%; and

WHEREAS, the Common Council wishes to authorize the Mayor and City Controller to take the steps necessary to implement comparable reductions in funding to organizations funded by the City, with the potential for further reductions later this year; now, therefore, be it

RESOLVED, that the Common Council of the City of Ithaca hereby authorizes the Mayor and the City Controller to take the steps necessary to reduce funding allocations to organizations funded by the City by 6.25% of the annual allocation previously budgeted by the City for each such organization; and be it further

RESOLVED, that notwithstanding the foregoing, no organization sponsored by the City shall be required to return to the City any funds already paid by the City to that organization, and this resolution shall not apply to any City funding upon which unreduced County funding or unreduced Downtown Ithaca Alliance funding is contingent; and be it further

RESOLVED, that the Common Council of the City of Ithaca hereby authorizes the Mayor and the City Controller to make appropriate modifications to any fund in the City budget to account for these changes; and be it further

RESOLVED, that the Common Council authorizes the Mayor to enter into amended funding agreements with any impacted organizations to account for the reduction in City funding resulting from this resolution.

3. Finance, Budget and Appropriations

.4 Resolution Authorizing Increase to Capital Project for Financial Software Improvements

WHEREAS, as part of the 2016 Budget approval, Capital Project #825 was established in the amount of \$150,000 to allow for several improvements to our main financial software for the City, Tyler Technology MUNIS, and

WHEREAS, while it took some time for design of those improvements, we are currently implementing many of those upgrades, mainly for Tax billing and Collection, Capital Projects, General Billing, Accounts Receivables, Cashiering and Citizen Self Service, and

WHEREAS, while we knew we would also need to expand our MUNIS improvements at some point to include Utility Billing and Cash Management, we were not aware of the need for a more secure hosting of our financial software and ease of use from remote sites such as home, and

WHEREAS, with the recent COVID-19 pandemic and recent fraud and hacking issues, it has become necessary to work remotely at times, and for network security reasons it has been difficult to perform our accounting functions through the current MUNIS system, and our plan for more secure transactions for the community from remote locations cannot be performed on our internal network, and

WHEREAS, Tyler Technology MUNIS has proposed to the City a remote solution which will alleviate many security and data protection concerns and will provide secure remote access for our financial system, and

WHEREAS, the estimated cost to provide all the stated improvements is estimated at \$225,000, with an annual hosting fee of \$78,537, and

WHEREAS, it is expected that these software and hardware improvements, once implemented, will allow for increased operating efficiencies, cost avoidance, and other time and cost savings; now, therefore be it

RESOLVED, That Common Council hereby amends Capital Project #825 in the amount not to exceed \$225,000, for a total project authorization of \$375,000, to improve the City's financial software system, including upgrades to the Utility Billing system, remote software and management hosting, and cash management, and be it further

RESOLVED, That funds necessary for this software and hardware upgrade shall be derived from the issuance of Serial Bonds.



CITY OF ITHACA
108 East Green Street, Ithaca, New York 14850-5690

Office of City Controller
Telephone: 607 / 274-6576 Fax: 607 / 274-6415

To: City of Ithaca Common Council. City Administration Committee

From: Steven P. Thayer, City Controller

Date: May 14, 2020

Re: Request to Amend Capital Project CP #825 Financial Computer Software Improvements

Council originally approved a \$150,000 Capital Project as part of the 2016 Budget to provide funding for various improvements to our financial software system. These improvements included upgrades to various City computer systems including; Capital Projects, Tax billing and Collection, General billing, Miscellaneous billing, Accounts Receivables, Cashiering and Citizen Self Services. At the time of our original request we knew we would need to request additional funding for further improvements for Utility billing and Cash Management. Also, some of the system improvements that we've been working on have needed expanded hardware and software resources to complete.

We are expected to go live with our original system improvements around April of this year. Our time line has slipped a bit related to the COVID-19 pandemic, but we are still hopeful for an August go live date. It has been challenging to improve our systems while still maintaining our current work load. Most of the work has utilized staff in the Chamberlain's Office. Also, we are gearing up for the retirement of the City Chamberlain in June. In addition, during the COVID-19 pandemic we have realized that working remotely has an increased importance to our City operations. We have also learned that some of the Citizen involvement planned for the future, allowing community members to access various City on-line payments through the use of credit cards, and City staff working remotely, would be better served if we could have our system hosted in a cloud-based system instead of on our internal networks. Security issues, fraud, natural disasters and theft have increased over time and providing our access on the cloud for software interaction will provide for a safer environment for our operations. In addition, on a cloud-based system, management and maintenance for the MUNIS system would be more efficient for our City staff, freeing up time and costs for other projects.

We are requesting to amend the current capital project by \$225,000 to account for added improvements to our financial computer system. This would increase the total project authorization to \$375,000. These additional improvements would be as follows:

Utility Billing \$91,000
Cloud Hosted Software Service (SAAS) \$87,600, includes one year of hosting
Cash Management \$20,000
Training and other contingency \$25,000



CITY OF ITHACA

108 East Green Street, Ithaca, New York 14850-5690

Office of City Controller

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Please note that we would also need to include added annual hosting costs of approximately \$78,500 in the future operating budgets, as well as annual support and maintenance costs. We will be able to reduce the current Govern Accounts Receivable system support to zero, saving approximately \$32,000 annually. I will also be working to negotiate software discounts from MUNIS and as a result, hopefully, some of these costs may come in a bit lower than noted above.

We believe once these software upgrades are implemented we can benefit from savings in staff time, improved financial operations, improved community and staff remote access to the City through a secure and safe environment and improved software storage and management. These savings may allow us to reduce future staffing needs. I have included information on the MUNIS Software as a Service (SAAS) cloud-based hosting.

Munis Software as a Service (SaaS)

The City of Ithaca, New York is a fiscally strong municipality, with a City mission that includes “connecting the citizens with the information and services they desire...through a sound records management program, while maintaining an open and informative government structure; and to enhance the operational efficiency and effectiveness of the City by continuously improving, through collaborative endeavor, the exchange of information and delivery of services.” (*City Clerk/Public Information & Technology >Mission*; <http://www.cityofithaca.org/170/City-ClerkPublic-Information-Technology>). In keeping with this city’s forward-thinking attention to transparency and protection of information and services, it makes sense to consider the value of running your Munis ERP solution in the Cloud.

According to an article by Rachel Keyser in ELGL magazine dated October 30, 2018 entitled, “Benefits of SaaS for Government,” utilizing the cloud for software storage and management provides a safe environment that’s safer from harm (theft, natural disaster, scams and so forth) than if it were stored and protected only with local resources. Additional benefits include better technology (modern frameworks, seamless updates, state-of-the-art security); low maintenance (no special hardware or on-site infrastructure needed, more time for your IT staff); accessibility (secure access 24/7, scalability); and lower risk (simpler configuration, no hardware purchase/upkeep, managed outside of disasters, redundant backups, expert management). In summary, Ms. Keyser notes that, “the rise of cloud computing in local and state governments is ushering in a whole new era of progress. Cloud-based software [deployment is] allowing governments to share in network benefits by creating a digital community of governments. For example, sharing performance analytics and business intelligence across communities will help create peer-to-peer benchmarks for process evaluation and improvement.” (<https://elgl.org/benefits-of-saas-for-government/>)

And in keeping with your mission to provide exceptional services to your community of citizens and/or students and families, moving to Munis SaaS is the right step—by helping to ensure you can **protect data and information** and mitigate disaster hazards. In summary, moving to Munis SaaS will enhance your operations by:

- **Eliminating downtime and providing backup** in case of a natural disaster;
- **Providing secure remote access** to your end users, thereby ensuring connectivity during emergency situations and eliminating virus threats and the associated negative impacts;
- **Freeing up your IT staff** to focus on more value-added tasks; and
- **Managing time-consuming backups** of your database, ensuring data integrity and eliminating the potential for performance degradation.

Munis SaaS operations are fully staffed with experienced Munis personnel, dedicated solely to Munis SaaS. They are trained and focused on *your* operations, running state-of-the-art equipment that enjoys significant reinvestment annually—reinvestment that is typically cost prohibitive when shouldered by a single organization.

Will We Lose Integration and Other Functional Capabilities with SaaS?

The short answer is: **No**. You currently use Tyler’s traditional Munis ERP solution—and nothing about that functionality will change. In fact, as part of Tyler’s initial commitment to you, Tyler’s Munis ERP solution includes numerous integration points for your convenience—completely free of charge. This means your staff benefits from the use of standardized, time-tested integration points that are readily available and already used by hundreds of Munis clients—whether you deploy Munis as a traditional self-hosted installation or migrate to Tyler’s SaaS hosting solution. And as before, you will experience significant cost savings through Tyler’s Evergreen and everGuide Philosophy, whereby upgrades and ongoing training are provided as part of your maintenance fee, *at no additional cost to you*. Couple that with the Munis SaaS deployment, and your organization will be positioned to enjoy significant ROI and TCO. This will be evident through increased functionality that improves processing, transparency, efficiency and best business practices; managed hardware and software upgrades that include current technology and disaster recovery; and more time for your IT and other staff to focus on more value-added initiatives and tasks.

So Why Move to the Munis SaaS Solution?

Also known as Cloud Computing, SaaS is not a new concept. In short, our SaaS solution allows organizations to utilize Munis ERP software that is hosted and administered by Tyler Technologies at a remote data center—over an Internet connection via a dedicated Virtual Private Network or VPN device. This connection is used to transmit data between the client workstation and the application or database servers. According to Jonathan Ende in Government Loop, *“SaaS solutions help local governments offer better, more flexible services to their residents. Government processes have been given a new pathway to the digital age... SaaS web applications are designed to be flexible, so they don’t need fresh code to be customized for new tasks. SaaS applications are updated more frequently than traditional software, allowing for new features and upgrades to be delivered nearly instantaneously. [And] SaaS products easily integrate with existing systems.”*



(<https://www.govloop.com/community/blog/3-reasons-saas-future-government-technology/> 7/20/2018)

SaaS clients are offered several services, including application and database administration, server hardware and operating systems, and integration support—all for one price. Hardware and technical expertise provided by SaaS is spread over multiple clients, and often provides a **higher level of quality** that cannot be cost-justified by any one client.

The SaaS model is unique and powerful in its ability to meet a variety of end-user needs. For instance, clients using the SaaS service experience benefits such as shortened implementation periods, and cost savings from off-site IT services. In fact, the overall lowered cost of ownership sets the SaaS solution widely apart from traditional client-managed operations. The typical organization's cost-of-business overhead to run, maintain, and upgrade its own software and hardware is eliminated—thus enabling the organization to meet their application needs with minimal associated operating and capital expenditures.

Tyler SaaS: Just Good Business

Overall Munis SaaS saves you in both hard and soft costs. In other words, Munis SaaS offers our clients the peace of mind that their data and programs are **fully protected**—and operations remain **up and running**—without requiring you to invest significant dollars in on-site hardware, software and associated staff to maintain it. In fact, the Munis SaaS solution will provide your organization with all the service and functional benefits you have enjoyed as a self-administered organization, without the headaches—instead, your IT staff will enjoy more time to perform the tasks they were hired to do, with the added security that your data is always safe and available. The result: each SaaS client enjoys all the service and functional benefits of a self-administered organization—with reduced risk and the added value of Tyler experts handling the maintenance and management of your ERP solution. **At the end of the day, our SaaS clients agree: *Munis SaaS is just good business.***



Munis SaaS takes the stress out of backups and server upgrades out of our work arena and allows us to concentrate on daily processing.

- City of Rome, GA

What Will We See For Benefits?

The SaaS benefits are considerable, from operating costs and hardware expense, to maintaining the latest technology and IT training to keep your staff current. Additionally, you'll benefit from:

- **Multi-year, fixed rate contract = no hidden costs.**
- **Multiple layers of redundancy to ensure no single point of failure.**
 - Power systems
 - Highly available database infrastructure

- Backup replication & Redundant network layers
- SAN storage
- Multiple cooling systems
- Off-site back up: Full built-in Disaster Recovery Services (including backup and storage of all system, data and image files in a secure off-site location) so no need to worry about hardware failure, botched backup, natural disaster, etc. **This benefit alone ensures your Munis operations stay up and running, maximizing efficiency and staff productivity. To duplicate these Disaster Recovery services in house could cost your organization several times the cost of your 5-year investment in Munis SaaS.**
- Insulates you from technology changes: DB, hardware, licensing
 - No depreciation of hardware; as technology and ERP requirements become more complex with additional features, **we maintain your environment.**
 - Always up to date with the application and technology, no need to worry about future hardware purchases and maintenance, no future database upgrades/conversions.
- No need to retrain your staff as technology advances; **built-in OSDBA Services.** We perform all hardware and software maintenance and upgrades, but you decide when, based on your schedule. (SaaS frees up your IT resources to focus on other projects, and energy costs are reduced.)
- No repair, upgrade or maintenance responsibilities. SaaS allows users to work from any internet access point with unlimited SSL VPN connections.
- You receive disaster recovery testing to ensure success.
- We help troubleshoot network, communication, or ISP issues.
- The Data Center is audited for compliance and data security.
- The Data Center is maintained to meet 99% uptime as part of contracted Service Level Agreement (SLA) 24 hours a day, 7 days a week, 365 days a year.
- Who best to maintain your financial information than the people who develop and support it? The Munis SaaS operations team collectively has more than 50 dedicated employees with a combined experience level of 100+ years of Munis system administration experience.
- If we need to run your Payroll, print bills, and so forth we also will store your paper stock here at the data center.

Who else is Part of the Munis SaaS Community?

You'll be in good company with more than 8,600 Tyler client organizations, equating to more than 208,000 Tyler-hosted users, offering e-services used by more than 5.1 million end users to make payments, file documents, submit permits, or other e-services. In summary, both large and small clients benefit from SaaS—but our larger sites are in a position to receive enhanced support and service when opting for the SaaS solution. And like them, you will get all the plusses of the Munis Data Center without having to invest large amounts of money purchasing and maintaining hardware, software and other infrastructure. With SaaS you can shift the daily support to us, and free up your IT staff to focus on more value-add tasks—thereby lending increased value to your bottom line.



Where Will Our Data Be Maintained?

Tyler Technologies designed and built the original Munis Data Center in 2000 from the ground up, and our Yarmouth facility is the latest Tyler-owned data center to come online. This **state-of-the-art facility incorporates the latest technology** and continues to be **maintained 100% by Tyler's in-house team** of SaaS experts including analysts, engineers, Webmaster, System Administrator and Database Administrator. These are professionals who work for Tyler, and understand Munis, the technology, SaaS and Disaster Recovery practices and procedures, and our clients' needs and requirements.

And as a member of the Cloud Security Alliance (CSA), a not-for-profit organization with a mission to promote the use of best practices for providing security assurance within cloud computing, Tyler has invested more than \$25 million in hardware, software and personnel to keep operations running optimally for our SaaS clients.

Overview of the Yarmouth, Maine Munis Data Center:

- PCI and SSAE 16 audits
- IBM Tier 1 DB storage
- Brocade SAN switches
- VMware vSphere Enterprise Plus
- Cisco Unified Computing System (Cisco UCS)
- Enterprise level CPU and memory resources
- Robust fiber channel switching
- Microsoft Windows and SQL Server environment
- eVault Tapeless Backup Solution
- Redundant backup center in Dallas TX
- Dallas center located at DataBank, a Tier-1 data center
- VPN Device: Industry-leading network equipment from Cisco at both locations



What Will Our Transition to SaaS Look Like?

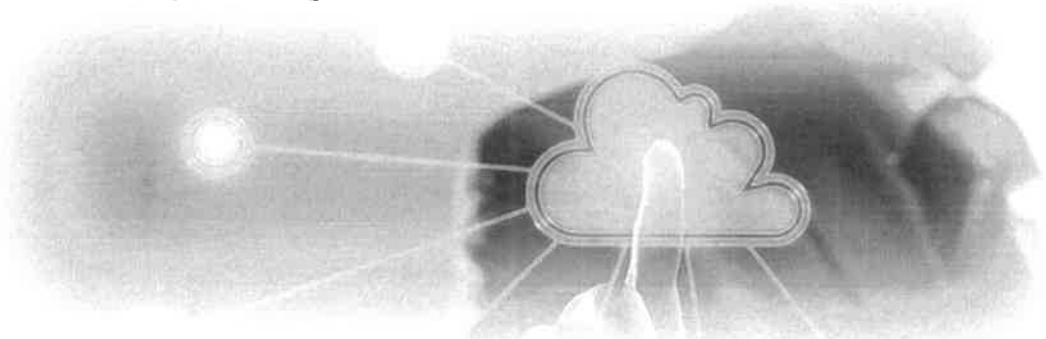
Once you and Tyler execute the SaaS contract, your organization will be assigned a Project Manager (PM) who will work with you during your transition. It's at this point that your PM will:

- Obtain your organization's IP and printer information;
- Configure and send the VPN hardware to your site;
- Fully assist you as you connect it to your network; and
- Acquire a copy of your data (via FTP) and install your site-specific programs.

Once your data is loaded in Tyler's Data Center, we will work with your staff to perform a test of user logins, printers, critical processes, and full data verification. When everyone has given this test the green light, Tyler will work with you to schedule your Go-LIVE date. This process, from start to Go-LIVE, typically takes approximately 2-3 months. From this point forward, your organization will be assigned a technical support resource to help you manage any support items that may arise.

What About ...? (FAQs)

- Are the SaaS fees in addition to my current maintenance fees?
 - No. The SaaS fees replace all your current ERP fees (support maintenance, licensing, OSDBA, Disaster Recovery, etc.)
- What is the necessary bandwidth required to be a Munis SaaS client?
 - You will be required to have 25kbs per concurrent user. Most of our clients now have backup ISP's—this is ideal, but not necessary.
- Will we be forced to be on the latest version of the software at all times?
 - No. You still determine which version of the software you want to be on, and when you want to upgrade. The difference: Tyler's Munis SaaS staff will "do the heavy lifting" for you now.
- Is the Data Center audited?
 - Yes. And because Tyler's payroll also is run through the Munis Data Center, we are required by the Sarbanes-Oxley Act to do a full annual audit.
- What happens after our contract term expires?
 - Prior to expiration, your Munis sales representative will discuss options to renew your SaaS agreement for another term.



In 2015 the city began a three-year process of moving to the cloud. Beginning with the parks and recreation department, the city moved each department, one at a time, to the cloud—municipal courts, city financials, the police department, human resources and payroll; sales tax and business licensing; and permitting and code enforcement. In her time at the city, Sue Farni (Executive Director of IT, City of Mobile) has seen the IT department be “pushed so far down in the organization that you really don’t get any attention. Five years ago, if you’d asked me if we were going to be in the cloud, I probably would’ve given you kind of a blank look,” she says. “I think we’re very poised to take on new challenges, and it’s an exciting time to be in this career.”

-Mobile, Alabama



About Tyler

Tyler Technologies (NYSE: TYL) provides integrated software and technology services to the public sector. Tyler's end-to-end solutions empower local, state, and federal government entities to operate more efficiently and connect more transparently with their constituents and with each other. By connecting data and processes across disparate systems, Tyler's solutions are transforming how clients gain actionable insights that solve problems in their communities. Tyler has more than 26,000 successful installations across more than 10,000 sites, with clients in all 50 states, Canada, the Caribbean, Australia, and other international locations. A financially strong company, Tyler has achieved double-digit revenue growth every quarter since 2012. It was also named to Forbes' "Best Midsize Employers" list in 2019 and recognized twice on its "Most Innovative Growth Companies" list. More information about Tyler Technologies, headquartered in Plano, Texas, can be found at tylertech.com.





CITY OF ITHACA
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Bond Resolution Request, CA Meeting, May 20, 2020

The City normally borrows funds twice a year, namely in February and July.

This request is to approve the authorization of Capital Projects approved by Common Council since our last authorization in January 2020. The projects needed for authorization include projects approved since our 2020 Budget approval and any previously authorized projects not yet included in a bond resolution. All projects are issued on a cash flow need basis, meaning, that the funds will be issued over the next six months as cash is needed for the projects. In addition, we have a restricted time frame to expend funds once we issue them.

Attached you will find the projects needed for authorization in the amount of \$722,685. My concerns related to the City's heavy debt load are on-going. While we are not in the red flag danger area, we need to continue to find ways to reduce the high amount of debt we currently have. We are in the 74% of expended debt limit area. At 90% of debt limit exhausted, the red flags are raised. Going forward, the high annual debt service costs will restrict the use of City funds on other areas. By law, we are required to pay our debt first. After a small reduction in our debt load last year, with the activity this year, we have now increased our debt outstanding. Our current debt outstanding, including this issue, is \$150,825,643. While \$69,174,274 of our outstanding debt is related to water, sewer, wastewater, installment debt and Housing IURA debt and is exempt from debt limit, we still have a significant amount of general outstanding debt, \$80,868,684. It's important to note that some of our debt is borrowed upfront and will be later repaid from state and federal sources. The amount of reimbursement for federal and state aid will range from \$5,000,000 to \$8,000,000.

We have not received the resolutions from the bonding attorney, but we will send them out and soon as they are available. We expect to have them no later than May 29th.

The total issuance for mid-July will be \$782,685 plus renewal of the Bond Anticipation Notes (BANs) coming due. Of the new money, \$782,685 is needed for General Fund purposes.

The impact on the market due to COVID-19 was, early on, volatile, but since has calmed down. Interest rates continue to be low, but up a bit from our last issue in February. Our interest rate in February was 1.09%. The market is currently in a somewhat volatile condition, and the economy remains uncertain at this time. The Feds have decreased interest rates recently and are expected to continue to stay low over the next year. We expect to borrow funds through BANs (short-term) at interest rates between 1.5% and 2.5%. The investment rate we are able to retain is decreasing as well and is currently around 1.00%. We will continue to look at the possibility of going long-term with some of our debt, as long-term rates are still favorable at this time, around the 3% - 3.5% mark. Issuing these funds now will allow us to take advantage of the lower interest rates. We will be re-rated as part of our debt issuance and there is always a possibility of a lower rating which would increase our interest rates for the future. They will definitely want to know how we are intending to cover revenue shortfalls.

Interest rates are still fairly low for short-term borrowing with a bond rating of Aa or better. Our current bond rating is Aa2 as rated by Moody's Investor Services. This rate is two rates below a top AAA rating. Our rate of Aa2 is still a solid investment grade rating. While the interest rate market is still favorable for borrowing, you must be able to afford it. We continue to expect these interest rates will edge higher. This increase will translate into higher debt interest rate costs for us and put even more strain on our future budgets.

Steven P. Thayer
City Controller
May 14, 2020

City of Ithaca
 Summary of Bond Authorizations
 2020 Second Issue
 5/14/2020
 file:bondissues

2020							
New Issues:							
Council	Project				Needed		Needed
Authorization	#	Description			Bond Resolution Amount	Status	Amount to issue
Date							
2/5/2020	846	Hector Street Complete Street To amend the project and right of way incidental phases of the project to construct sidewalk and an uphill bikeway along Hector Street in the City of Ithaca (Route 79). Amended project. New money. The City will need to upfront the cost with later reimbursement of 80% from federal sources. The City cost will be 20% of the total project. It is expected that the 20% share of the project will come from sidewalk district 5. The last authorization was on 1/1/19 of \$2,104,000 and issued 2/19/19 for \$1,000,000.			\$ 240,000	partial issue	\$ -
3/4/2020	879	South Albany Street Bridge Imp Design To establish a project for design of the South Albany Street Bridge Imp over Six Mile Creek in the City. This will include the scoping and design phase of the project. Detailed design will occur in 2021 and construction will occur in 2022. New project and new money. This is an upfront cost for the City with reimbursement up to 80% from Federal and State funding. The City's share of the project will be \$31,000.			\$ 155,000	issue	\$ 155,000
5/6/2020	424J	Pump Improvements for Actiflow System at IAWWTF To establish a project to replace pumps and piping for the Actiflow System for Phosphorus Treatment at the Ithaca Area Wastewater Treatment Facility. The project will replace pumps and piping in the system. New project and money. This cost will be shared by the three owners of the IAWWTF. The City's portion of the cost will be 57.14% of the total project cost.			\$ 102,685	issue	\$ 102,685
9/4/2019	853	Cascadilla Creek Dredging To fund the design and services for the mechanical dredging and installation of a sediment trap for Cascadilla Creek. The dredging will be and trap will improve future boat navigation and winter ice jams. Construction is on-going and is expected to be complete in 2020. This is a 100% reimbursable project with no final City cost. New money. First issue was 2/19/19. The City will have to upfront costs. Issued \$200,000 on 2/19/19 and \$1,200,000 on 2/19/20 for a total to-date issue of \$1,400,000. The grant funds are slow to be reimbursed.			\$ -	partial	\$ 300,000
11/4/2015	825	Finance- Computer Upgrades to Financial System To fund various upgrades needed to the City's computer financial system (MUNIS). Amended money and project. This project was originally approved as part of the 2016 Budget. It involves the upgrade of our financial system including Accounts Receivables, tax collections, cash management, credit card on line services for the community, general billing, Misc billing, water and sewer billing and remote hosting of the system by Tyler MUNIS. We originally authorized \$150,000, but have expanded the original upgrade.			\$ 225,000	issue	\$ 225,000
		Totals			\$ 722,685		\$ 782,685
		General Fund			\$ 722,685		\$ 782,685
		Solid Waste			\$ -		\$ -
		Water			\$ -		\$ -
		WasteWater Treatment Facility			\$ -		\$ -
		Sewer			\$ -		\$ -
		Total			\$ 722,685		\$ 782,685