

**City of Port Jervis  
Finance/Insurance Committee  
Minutes for Meeting August 19, 2013**

Present: Committee Members Frank Bell, Robert Ritchie, Michael McCarthy and Kelly Decker. Also in attendance were: Stanley Siegel, Gerald Oney Jr., George Belcher, Carl Hendrick, and Robin Waizenegger City Clerk- Treasurer.

Absent: None

Finance meeting opened at 7:00 p.m. by Frank Bell who referred to Mrs. Waizenegger for the first Agenda item.

**Cash Flow Projections** – Mrs. Waizenegger referred to the Cash flow projections through December 2013 and noted that this printout also includes actual cash results to through July 31<sup>st</sup>. She pointed out to the committee the one point at which the general fund will run a cash deficit and require an inter-fund loan at the beginning of December due to the timing of the payment of the State Aid monies. She indicated that the cash projections to actual have been pretty close throughout this year.

Councilman Siegel asked if this cash flow was automated or done manually and how the estimates are derived. Mrs. Waizenegger indicated that she prepares these analyses and that the estimates are her best prediction based on the trends from the data she has collected over the past eight years as well as her personal knowledge of the business operations.

**Cellphone Service** – The Treasurer's office completed an analysis as requested by the council. She handed out a summary of the cost differential between the two primary carriers in the area. There is very little difference in monthly service cost. The largest cost differential comes with the fact that phones would have to be purchased to convert the service which with the minor cost differential would have a 27.9 month cost recovery time. She indicated that as far as the actual service received by holders of the phones she could not evaluate that as she is not a City cellphone user. Therefore the decision to change carriers is more from a service perspective that cost savings. Councilman Siegel indicated that department managers are willing to take it out of their budgets to convert for the change in service. The committee discussed and agreed that they would like to recommend conversion to a new carrier.

**CDA A/R** - Mrs. Waizenegger reviewed a detail of the monies owed to the City of Port Jervis from the Port Jervis Community Development Agency as was reviewed with the CDA Board at a special meeting on August 5th. She noted that no billing was done to the CDA for any audit fee for 2012 per their previous directions. She indicated that if the council wishes to forgive other years' fees she will need direction as to where in this year's budget she should incur the bad debt expense. She indicated that the CDA Board has not had a regular board meeting since that date.

There was discussion regarding the nature of this discussion as possible executive session material and it was decided that this did not constitute as executive session material.

Mr. Ritchie indicated that the CDA Board needs to have a chance to review the problems within their own administrative process.

Councilman Hendricks asked Mrs. Waizenegger where this is accounted for in the financial documents of the City and if there is any other examples of this within the City. Mrs. Waizenegger explained that the amounts of monies paid on behalf of the CDA sits as a receivable on the balance sheet of the City. The CDA is not a city department, but rather a separately incorporated entity with its own board. The financial activity of this separate corporation winds up being included in the City's financial statements as it is a related corporation having a majority of board members coming from the City Council. There is no other such related corporation within the City. Mrs. Waizenegger gave an example of where the City maintains a like receivable from another entity the Port Jervis Housing Authority for payment of dental insurance, which she noted is kept current.

Councilman Hendricks agreed that the CDA Board needs to meet and review their circumstances and have a clear understanding. He indicated that they will also re-evaluate any credence to any write-off of receivable in lieu of previous grant writing services for the City.

Mrs. Waizenegger also indicated that the CDA needs to evaluate the ability to use the funds they have on deposit given any funding restrictions.

The committee discussed the problems of the past with CDA and the use of the CDA for grant writing services. Various scenarios for resolution were discussed with all in agreement that corrective action must occur.

**Old Business:** For informational purposes Mrs. Waizenegger informed the committee that the 2% tax cap is reduced to 1.6% this year. She forwarded a related e-mail and noted that the City had already passed their local law to not adhere to the tax cap process.

Mrs. Waizenegger also reviewed her frustration with the banking industry and the lack of interest and/or service credit for monies on deposit as all banks move back to being a fee for service business.

**New Business:** Mrs. Waizenegger informed the committee that at 9am this morning the Moody's rating call occurred after a lengthy questionnaire was completed prior to the call. She indicated that the person conducting the call will recommend no worse than keeping our rating the same.

Councilman Decker brought up the topic of having the City put up historic Route 6 signs throughout the City. He indicated that he will do more research and report back.

**Public Comment:** none

**Executive Session:** none

Committee adjourned at 7:44 pm

Next month's meeting – September 16<sup>th</sup> at approx. 7:00pm following DPW & Fire.