

City of Port Jervis
Finance/Insurance Committee
Minutes for Meeting March 15, 2017

Present: Kristin Trovei, David Bavoso, Sarah Hendry and Lisa Randazzo. Also in attendance were: Mayor Kelly Decker and Robin Waizenegger, City Clerk Treasurer.

Absent: None

Finance meeting opened at 6:34 p.m.

Serial Bond: Mrs. Waizenegger re-addressed the list of proposed purchases with the changes made at the 2/15/17 meeting. She noted that she also revised the amount of the City share for the NYSDOT projects based on the engineers revised cost estimates with the most significant reduction being on the bridge and road widening project. She noted that she added a small amount as contingency to the engineer's numbers as she felt they were minimal cost estimates that did not account for any disallowed expenditures by NYSDOT. She also noted that in addition to the bonded costs there will be a BAN (Bond Anticipation Note) necessary to fund cash flow requirement once construction commences.

Mrs. Waizenegger noted that the budgetary impact would be approximately 2.4% tax increase as of these revisions. The renovation number for the Farnum House was questioned as it is now \$100,000 which is just basic repairs. The Mayor discussed information with respect to the Farnum House and the deed restrictions which our attorney is researching. He indicated that there needs to be some additional consideration as to what we want to do with that building and what we can legally do.

The committee also discussed the impact of this 2.4% increase combined with the approximate 3% to meet operational contract obligations. Ms. Randazzo questioned if we would be getting another health insurance increase. Mrs. Waizenegger stated that NYSHIP will not have that information until the last quarter of the year. She did provide information regarding the impact of the recent workmen's compensation board awards of partial disability awards which will increase our experience ratings for the coming renewal in July.

Mrs. Waizenegger asked if the committee wanted the list put out to the Council and department heads for more review and input. It was agreed to do so. Also discussed was the importance of substantiating to the public the importance of all of the bond items.

Cash Flow: Mrs. Waizenegger and the committee discussed the cyclical nature of poor cash flow in March of each year.

2017 Insurance: Mrs. Waizenegger noted that she already discussed the Workmen's Compensation potential increase and that she has the general insurance renewals in process but has no early information.

Old Business: Mrs. Trovei asked how the audit is going. Mrs. Waizenegger stated that she is focused on audit preparation at this time through the end of the month.

Mayor Decker indicated that he did send a letter to Karl Brabenec regarding the school crossing guard law. Mrs. Trovei is also monitoring the progress through the NYS legislature.

Mrs. Trovei asked about the requirement to establish a sewer fund. Mrs. Waizenegger explained that it will be a separate fund just like the water fund and will have its own cash accounts and will have to survive on its own revenue. Mrs. Trovei asked if it will have its own fund balance and budget. Mrs. Waizenegger explained that the sewer fund will have its own budget and have to accumulate its own fund balance and will initially have to rely on some inter-fund borrowing to open the fund. Mrs. Hendry questioned why the sewer fund would have to pay for maintenance costs. It is normal and customary for a fund to pay for both operational and capital acquisition costs. It was noted that there is the ability to do inter-fund borrowing and with the consent of the council inter-fund transfers but that inter-fund transfers are generally not recommended. It was noted that the use of any funds is controlled through the budgetary process by the Council. The committee debated the desired use of the sewer funds for infrastructure exclusively versus operational costs. Ms. Randazzo noted that there are some misunderstandings created by what they want versus what has to be paid for and on some issues everyone has some perceived beliefs that will sometimes outweigh their ability to learn about different topics. The importance of public education was discussed.

New Business: The Mayor inquired about deadlines for referendums. Mrs. Waizenegger will research the deadlines. The Mayor inquired about putting his salary up for referendum vote to increase it to the same level as the Deerpark Town Supervisor. Mr. Bavoso indicated that he does not think it is necessary. Further research will be done.

The Mayor stated that there is to be a summit meeting of the regulatory agencies and the engineers involved in the Whitewater Rafting Project in the near future and as he is anticipating approval, he is expecting to need a referendum regarding the finance of this project. Again the importance of public education on this project was discussed as well as the pros and cons of having a referendum locally versus on the general election ballot depending on information to be obtained from the Board of Elections.

Public Comment: None

Meeting adjourned to executive session at 7:13 p.m.

Executive Session: Personnel issues.

Meeting adjourned at 7:17 p.m.

Next Meeting: Wednesday April 19, 2017 at 6:30 p.m.