

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

Present: Frank Bell, Robert Ritchie, and Michael McCarthy. Also in attendance were: Stanley Siegel, Robert Waligowski, Gerald Oney, George Belcher and Robin Waizenegger, City Clerk Treasurer

Absent: Kelly Decker

Finance meeting opened at 7:00 p.m.

Capital Note: Mrs. Waizenegger provided to the committee a summary and copies of the Capital Note requests from the department heads. Mr. Bell indicated that there has to be cuts of approximately \$45,000 from this list as our maximum allotment available to coordinate with our previous vehicle financing arrangements.

The committee reviewed all of the items and agreed to go back to the respective department heads for possible reductions on the larger items.

Some of the suggestions were continuation of car lease versus buyout of leased vehicle, elimination of police carport, reduction of fire gear sets, limit or stage repairs on caretaker house along with use of city labor, review of sidewalk repairs to prioritize and stage over several years, review of need for recreation dump trailer, elimination of small items from the DPW/Water for purchase within their existing budget and use of urban renewal funds.

Long-term Financing review: Mrs. Waizenegger reviewed the long-term financing needs and the schedule of retiring debt. She informed the committee that we have just received notification that the USDA has approved us for financing on the clarifier project with a term of 38 years and 1.875% interest. This change has now been incorporated into the borrowing capacity calculation on a bond equivalent basis. The USDA financing allows the borrowing of 3.6 million as opposed to 1.6 million for the same annual payment.

In reviewing the borrowing needs she presented to the committee the revised needs listing from the Police Chief. She indicated that while he has indicated some additional equipment needs above what is included in the present bond financing proposal they have not been added at this time. She has not received any update from DPW and Water at this time and the fire dept trucks beyond the aerial ladder truck are subject to review after the needs assessment being done by EVR.

She noted that even with the USDA financing we are still in the negative for borrowing capacity on BANs or the shorter term financing used for cash flow on projects such as the Promenade and Bridge projects

Mr. Gerald Oney requested that Mrs. Waizenegger send the members by e-mail the amount of debt payment recently retired in 2012 versus the anticipated debt payment for the new truck.

Mrs. Waizenegger reminded that committee that the 2% Tax Cap waiver has to be renewed annually and it will be critical to incorporate the borrowing repayments into the future budgets.

Old Business: Mr. Siegel suggested that the DPW re-visit the possibility of privatizing the garbage collection. The committee expressed mixed reactions to this proposition.

Mrs. Waizenegger indicated that she would like to close the checking account associated with the Ruggeri funds and transfer those funds to the existing CD. Also in light of the new fee structure she will try to convert the UDAG funds to a money market account and make other changes as necessary to avoid banking fees.

Mrs. Waizenegger reviewed the e-mailed information regarding the 4th Q sales tax and discussed with the committee her concerns with regards to auditing to the contract and information being withheld by the County which results in the manipulation of the cash flow with respect to this income source.

New Business: Mrs. Waizenegger reviewed with the committee the impact of the City of Middletown's loss in arbitration concerning their proposed health insurance change. She explained to the committee that we were also pursuing a similar health insurance change for possibly 2014 but that this arbitration sets a precedent that may prohibit us pursuing the change.

She explained the differences between the policies of NYSHIP and the proposed coverage with respect to network privileges and premium deductible management. The committee discussed the principles of insurance coverage and the union contract requirements.

Mrs. Waizenegger informed the committee that she would not be present the remainder of the week due to vacation and discussed details of payroll timing for the Council in February due to the shorter month.

Executive Session: None

Meeting adjourned at 8:15 p.m.

Next Meeting: Monday March 18, 2012 at 7 p.m. or immediately following DPW and the Fire/Emergency Management Committee meetings.