

**City of Port Jervis  
Finance/Insurance Committee  
Minutes for Meeting May 20, 2013**

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

Absent: None

Finance meeting opened at 7:25 p.m. Chairperson Frank Bell opened the meeting and referred to the agenda.

**Insurance Renewals** – Mrs. Waizenegger introduced Mr. Robert “Bob” Stubbs of Marshall & Sterling who is present to review the two insurance proposals for the City’s coverage for the 2013-2014 coverage year. Mr. Stubbs indicated to the council that the City has two viable options for insurance coverage from Travelers and McKee. Travelers is the less expensive option and the incumbent McKee is proposing a slight increase in premium. The major difference in coverage is in the area of abuse and molestation. McKee adds the coverage to the umbrella giving a total coverage amount of 11 million while Travelers excludes it from the umbrella providing 1 million per occurrence with 2 million dollar maximum.

The committee debated the risk of claim in the above area as well as several other minor differences in the proposed coverages with Mr. Stubbs providing information regarding each carrier and the different coverages. Also he indicated that he would not recommend terrorism coverage.

Mr. Bell reminded the committee that the decision on coverage must be made this evening as our policies expire on 5/22/2012 at midnight and that the Council empowered the committee to make this decision.

Mr. Bell individually polled the council members present and consensus was to go with the Travelers proposal.

Mr. Bell thanked Mr. Stubbs for coming and explaining the proposals to the committee.

**AIM Submission** – Mrs. Waizenegger disbursed a copy of the proposed AIM submission to the members along with pages detailing the line item assumptions used. She stated that this is a required submission to NYS and will require a resolution of the council for submission.

She indicated that some of the economic assumptions have changed from last year in that the general inflation factor is lower and she has assumed property values to be stable as opposed to declining. The model does however continue to show that expenses will continue to outpace revenue and lead to eventual insolvency if corrective measures are not taken.

Mr. Stubbs questioned the reality of the development of the whitewater park with regards to future needs in the area as well as the fact that the whitewater park would represent a specialty insurance concern. Mayor Potter responded by indicating that it is in the engineering phase at present and that as

NYS is now re-focused on tourism development through the governor's office as well as federal sources we hope to gain the 1.5 million necessary for development. It will take several years to clear the permitting and environmental hurdles.

**Audit Presentation** – Mr. Bell reminded the committee that the audit presentation will take place on Tuesday May 28<sup>th</sup> promptly at 6:30 pm preceding the council meeting. Mrs. Waizenegger informed the committee that the senior audit team member who worked on the City's audit for the past several years has resigned from O'Connor Davies to take another position and will not be accompanying Mr. Consolo for the presentation this year. She also noted that O'Connor Davies has one more year on their present agreement with the City that will be impacted by this departure.

**Long-Term Financing** – Mrs. Waizenegger asked the committee when they would like to consider the serial bond funding for items previously identified for long-term financing now that the issue of the fire truck referendum is settled. She indicated that the fire truck can be added to the bond issue for financing as the bond issuance costs would not be greatly increased by its addition and the capital lease market rates right now are similar to the bond market rates. Also increasing the size of the bond may make it more marketable. The committee agreed to move the issue during June before the election season goes into full swing so that it does not become an election issue.

**Old Business:** Mrs. Waizenegger reminded the committee the council should again act on a local law to allow the City to exceed the 2% tax cap should it need to do so for the 2014 budget. This is a law that has to be passed annually to give the City that option. The committee requested that Mrs. Waizenegger follow-up with legal counsel to get this done for our next council meeting.

Mrs. Waizenegger updated the committee on the status of all required annual filings as follows:  
NYSOSC AFR – financial reporting filed – final audit submission pending  
AIM – document ready for filing upon Council approval on 5/28  
PARIS – IDA fully completed and submitted with certified audit  
PARIS – CDA financial information complete - submission pending final audit report

Mr. McCarthy questioned the final budget comparison for 2012 and asked where the major expense decrease was which is noted as 4%. She indicated that the largest impact was the amortization of the retirement expense which represented a reduction of approximately \$300,000. Mr. Bell read current reports from the NYS OSC indicating recent pension fund growth to record levels but contribution levels are still expected to rise.

**New Business:** Mr. John Faggione, Recreation Director, reviewed the problem of growth of non-city residents utilizing west end beach on weekends and holidays during the summer. Mr. Faggione and the recreation commission is recommending the hiring of a parking lot/beach monitor to control the volume of cars allowed in and to close the beach when bather capacity is reached. The recreation commission would also like to implement a parking fee for non-residents @ \$5 to be collected by the monitor. The monies collected will be used to offset the salary cost.

It was noted that signage will be important. Also police support will still be necessary for enforcement.

The committee supported the idea and dependent on this experience may choose to expand to fully paid admission/parking in the future.

This will require council approval for the hiring and the fee to be charged.

Several operational concerns were discussed and left to management by John Faggione.

Mrs. Waizenegger informed the committee that she forwarded late this afternoon an informational e-mail regarding what looks like some sort of compromise to the bonding arbitration limits.

Mr. Decker questioned the possible acquisition of property for traffic concerns with respect to the whitewater project due to the possible availability of property in the east main street area at present.

**Public Comment:** none

**Executive Session:** none

The meeting was adjourned at 8:32p.m. Next month's meeting - June 17<sup>th</sup> at 7:00pm following DPW & Fire.