

**City of Port Jervis
Finance/Insurance Committee
Minutes for Meeting June 16, 2014**

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

Absent: David Bavoso

Finance meeting opened at 7:15 p.m. by Frank Bell who referred to Mrs. Waizenegger for the first Agenda item.

Audit – Mrs. Waizenegger reminded the committee members that the 2013 audit is still not finalized as there is an outstanding legal confirmation. She noted that most of her funders are looking for audited financials by June 30th. Therefore she has forwarded the draft of the financials to several parties to satisfy them on an interim basis. She also reminded members that as soon as the audit is complete she will have to follow up with issuing the request for proposals for auditing services for the next three years.

Mrs. Waizenegger also informed the members that the per diem staff to assist during the continuing medical leave of the Deputy Clerk Treasurer will be Wednesday. She is hoping that it will provide some relief to her as she has a backlog in her work as she has been focused on just keeping operations going.

Tax Lien Sale - Mrs. Waizenegger informed the members that the Tax Lien Sale will be scheduled for November 18th 2014 and presented to them the listing as of that date of 352 properties that will be subject to said sale. A resolution of the Common council is required to proceed. It was noted that the water receivables in the sales are very high. Mrs. Waizenegger indicated that of all the categories water is not escrowed by the banks similar to taxes which give more people the option not to pay. Also there is an approximately 60% of the properties that are repetitive from the 2013 list.

Tax Cap Override Law – Mrs. Waizenegger noted that a law to override the cap must be passed by July 31st, however if we do stay under the cap the law can be rescinded by the 21st day of January 2015. It is the Mayor's understanding that all 2 taxing entities have to stay within the cap for homeowner's to get a rebate. As of now the School has stayed under the cap but Orange county is projected to not be under the cap.

Gross Utilities Tax & Revenue Sources - Mrs. Waizenegger presented to the council an option for possibly raising the gross utilities tax. At 1% the revenue was \$124,000 last year. She indicated that we would have to check with legal counsel as to whether or not we could raise this rate. Mrs. Waizenegger has provided information to Mr. Bavoso to facilitate the research.

Mrs. Waizenegger informed the members that it will be necessary for the City to gain additional revenues in lieu of the poor performance of the Sales Tax Revenues as the effect of the revenue shortage and our inaction can lead to bankruptcy.

Mayor Decker noted that other communities have a garbage pickup fees ie Hudson and Newburgh NY to assist them staying under the cap. Mayor Decker indicated that new revenue sources are essential to

move the City Forward. Mr. Siegel indicated that he is not in favor of any additional charges to citizens. He stated that we will need to do more with less. He presented a plan to promote private individuals to market their real estate more reasonably to initiate growth. Mayor Decker indicated that we are trying to that but it will not be a rapid enough process to deal with the current revenue shortage and the thought of cutting police services when you have a drug problem that is escalating. Mayor Decker questioned what exactly Mr. Siegel would cut.

Mr. Seigel and Mayor Decker continued to debate development options. Mayor Decker wants to establish a revenue source to use as development funds and Mr. Siegel favors seeking grants for development. Mayor Decker noted that Port Jervis is one of the lowest combined costs across the state. Mr. Oney indicated that only cuts in service and personnel or privatization will clearly decrease our expenses it is not popular any way we proceed whether we cut services or institute fees.

Mr. Oney and Mayor Decker noted that a 1 percent tax increase is never going to move the City forward or even cover existing services.

The members discussed implementing the holding of tax liens by the City for potential resale to private individuals through city sponsored mortgages as a development possibility.

Mr. Siegel discussed the problem of an abundance of welfare housing in our City with rebuttal from the Mayor that the City does not have control over welfare. Mr. Siegel stated that local police enforcement must be used. Mayor Decker said that enforcement will be hampered if cuts when or if severe cuts are made to the police force. Mayor Decker believes that recent part-time hiring in the DPW will assist future budget efforts and wants to replicate that within the police force.

It was also brought up that the City may want to consider a sewer charge.

The problem of cutting expenses were discussed with regards to salaries as personnel and fringe benefits are the bulk of the budgeted expenses. The problem of working within the constraints of NYSHIP was also discussed. Overtime costs for DPW and police during special events were also discussed. Flexible scheduling was discussed with respect to DPW staff.

The members indicated that while this discussion was good for us, public input is needed to restructure our revenue sources. Alternative revenue sources such as garbage fees, sewer fees, etc which are not considered part of the property tax structure for the cap. Mrs. Waizenegger noted that anything that is billed as a fee will require adding billing and collection structure.

Old Business: Mrs. Waizenegger indicated that she has not received renewal contracts as promised from the County.

The new lease contracts are still in negotiation between Time Warner and our attorney.

New Business: Mrs. Waizenegger informed the committee that the police department has recently been involved in a rash of MVAs with fault being on both us and others hitting our vehicles. While we try to file to other carriers to save our claim costs we do still have deductible costs in some cases. Filing with the other carriers is also a strategy to lessen claims feeding into our experience ratings. Mrs. Waizenegger stated that this is unfortunate as the prior year experience was wonderful.

She also indicated that a second slip & fall claim on Aliton's sidewalk has been made. She informed the committee that a second claim at the same site is always problematic from a defense standpoint even though the sidewalk was clearly under repair. Mrs. Waizenegger noted that we have no process for permitting associated with sidewalk repairs which would have helped in this instance.

Mr. Siegel brought up signs being placed at several places in the City and their legality. It was noted that this is a code enforcement issue not finance.

Mayor Decker questioned if the sidewalk monies previously committed for Church street could be used for an electronic sign at the entrance to the City. Mrs. Waizeegger indicated that those funds could be changed by resolution of the Council.

Public Comment: none

Executive Session: none

Committee adjourned at 8:30 pm
Next month's meeting – July 24th at 7:00pm.