

City of Port Jervis
Finance/Insurance Committee
Minutes for Meeting October 23, 2014

Present: Committee Members Frank Bell, David Bavoso, Kevin Cunningham and Stanley Siegel. Also in attendance were: Carl Hendrick, Kelly Decker, and Robin Waizenegger City Clerk-Treasurer.

Finance meeting opened at 6:00 p.m. by Frank Bell who referred to Mrs. Waizenegger for the first Agenda item.

Tax Lien Sale: Mrs. Waizenegger let the committee know that there are still 156 parcels in the tax lien process versus 162 parcels.

Auditing Services: Mr. Bell stated that Bonadio was the leading firm based on the interview process. Mrs. Waizenegger reviewed the reference information of 2 cities and 1 county. In particular one City noted that Bonadio came in on a fixed fee basis but Bonadio gave them a list so large of required documents that if Bonadio did any work they billed for it and then they brought in their IT consultants and billed for that which turned a \$38,000 fixed fee into an \$80,000 fee. However, Mrs. Waizenegger indicated that this City had changed from a local CPA to a larger firm which is a difficult transition. All other references were positive. The person in the field, Ms. Blessing, has a reputation of being firm but fair. Mrs. Waizenegger did share the negative fee information with the partner, Mr. Alan Waltham, and warned him that any such action would be considered inappropriate. Mrs. Waizenegger indicated that she will unfortunately have to be a staunch watchdog on this. The committee decided to move forward with the new audit firm for recommendation to the Council.

2014 3rd Quarter Budget Review: Mrs. Waizenegger reviewed the memorandum and printouts she had sent previously via e-mail. She noted that the 2014 budget is running at a deficit which will require additional use of fund balance over the budgeted amount which she has in the budget changes. She noted that due to the retirement payouts this year she has a more difficult cash flow and is doing more inter-fund borrowing that she is really comfortable with. She also stated that she will have to do a revenue anticipation note in early 2015 which she had previously avoided for at least 7 years. There was also discussion regarding the savings or lack of savings when retirements occur depending upon the individual circumstances.

Mrs. Waizenegger reviewed the budget changes with respect to the revenue shortfalls in sales tax and utility tax this year and over expenditures with regards to retirement payouts and retirement benefit charges. Mr. Siegel questioned the 1% gross utility rate and Mrs. Waizenegger indicated that after legal review it is known that that rate cannot be raised. There was also a discussion with respect to the cable franchise agreement.

Mrs. Waizenegger reviewed with the committee a listing of all employees eligible for retirement payouts which with fringe benefits which amounts to a cost of approximately 1.5 million. She noted that there was a small amount of reserves in fund balance which the council may desire to use this year for the payouts they experienced.

2015 Budget: Mayor Decker and Mrs. Waizenegger informed the committee that they have been working hard on the budget and that it is not a easy task and contains many cuts. Public hearings will need to be scheduled as well as work sessions. It is the intention to deliver the budget on October 28th to the Council.

Old Business: Mrs. Waizenegger indicated that the Account Clerk test for our provisional employees is set for 1/24/15. She gave a progress update on the new employees noting the difficult nature of training in a non-stop work environment while trying to keep up with the workload. She also gave an update on Mrs. Decker's medical leave status.

New Business: Mrs. Waizenegger distributed an e-mail from the police chief regarding a possible emergency equipment purchase for live-scanning fingerprinting equipment. This item will be reviewed in police committee regarding possible savings from the radio project and they will come to the council in the near future with this request.

Mrs. Waizenegger sat through the NYS Tax Cap webinar which was mostly calculative. The OSC indicated that there will be future webinars regarding the tax freeze/shared services plans in January from OMB as the plans are under their jurisdiction. OSC indicated that future tax cap checks will be combined checks issued in October 2015 for the 14-15 Cap savings.

Mr. Hendricks indicated that he is still desirous of discussing the CDA sharing plan in the budget workshop.

Mayor Decker discussed with the committee the potential of having the City reserve properties from the tax lien process for a re-investment plan to qualified homeowners. Mayor Decker has asked our attorney to expedite title clearance on the properties we do own and wants to investigate potential future homeownership programs. He highlighted a problematic property at the corner of Hammond and Seward. Discussion was also had regarding the social services rental population and associated fees.

Mayor Decker reviewed the specifics of the properties we presently hold and their potential for flipping in conjunction with an investor. Mrs. Waizenegger also brought up the topic of the need for property management within the City.

Public Comment: None

Executive Session: Motion was made and seconded to go into Executive session at 6:50pm.

Committee reconvened and adjourned at 7:20 p.m.

Next month's meeting – Tuesday November 18th at 6:00 p.m.