

City of Port Jervis
Finance/Insurance Committee
Minutes for Meeting March 16, 2016

Present: Frank Bell, David Bavoso, and Kristin Trovei. Also in attendance were: George Belcher, Stanley Siegel and Robin Waizenegger, City Clerk Treasurer.

Absent: Sarah Hendry

Finance meeting opened at 6:45 p.m.

Moody's Rating Results: Mrs. Waizenegger disseminated to the committee a copy of the Moody's rating report detailing the downgrading of the City's rating to A3 from A1. She informed the committee that we will be reviewed next year again and probably will be subject to another drop to Baa.

Capital Note: Mrs. Waizenegger re-addressed the issues with respect to the Capital Note indicating that she had communicated the committee's requests, recommendations and reductions with the respective department heads. Mr. Farr did express to Mrs. Waizenegger his dislike/disagreement of the elimination of the caretaker's renovations. The committee finalized the Capital Note for a round number of \$113,000 and did not restore any previous cuts. Mrs. Waizenegger stated that she will put it out to bid in April.

Cash Flow: Mrs. Waizenegger distributed to the committee a snapshot of the present balances from her cash flow workpaper. She noted that she is relying on receipts from taxes to bolster cash for the next 5 weeks until the larger receipts come in at the end of the month from Sales Tax and Third party processors. It was noted that is when she will be able to pay off the RAN for \$900,000 and try to resolve any interfund borrowing. She also detailed planning for payroll and the delayed payments to engineering firms, health insurance and other vendors.

Workmen's Compensation: Mrs. Waizenegger distributed copies of the revised experience ratings and premiums based on the award by the workmen's compensation board for two large amounts from two claims. One claim originated in 2012 and one in 2014. Each claim received awards well above the SIF reserves which impacts our experience ratings. Our Experience rating changed from a 17% credit to an experience rating charge of 2%. This results in an increase in our annual premium of \$61,475.97 retroactive to 7/1/2015 and will impact the 2016-2017 as well.

2017 Budget Preview: Mrs. Waizenegger disseminated a listing of items that will be impacting the 2017 budget. She prepared this listing as a first look at 2017 in the wake of the proposed local law for the tax cap override to assist the Council in understanding the scope of financials issues we are facing for next year. The committee discussed a lot of the items. Of particular interest was the cost of promenade project to proceed or pulling out, the potential bonding this year, the impact of tax cap formulas on the gains from the extinguished PILOTs, possible health insurance carrier change for savings and the housing rehabilitation project to re-sell the properties acquired through tax lien. Mrs. Trovei indicated that she is researching possible areas of cost savings as a primary option rather than raising revenues through any fee or tax increases. Mrs. Waizenegger indicated that while the mayor is not present that this list has been reviewed with him as well and that he also is aware of the need to cut costs as well as raising revenues.

The committee also discussed selling the tax lien properties and the desire to have any housing program run or operated by an entity other than the City. Mr. Seigel put forth his opinion that a reduction/consolidation in the

fire department may be possible for some cost savings. The committee suggested that Mr. Seigel address same with the Fire and Emergency Management committee.

Next Bond Issue: Mrs. Waizenegger stated that she would be sending out an e-mail to the Dept. Heads requesting their needs for the next Bond issue for large projects and purchases for return by the end of April. She disseminated the strategic plan document as drafted by the mayor for their review and consideration with respect to bonding needs.

Old Business: Mrs. Waizenegger noted that the internal audit is scheduled for April 11th and that she does not feel ready. She will discuss same with the audit partner.

New Business: Mrs. Waizenegger disseminated an e-mail received from our insurance broker regarding possible coverage issues on the City renewals with respect to Dam #1 and the tax deed properties with Travelers and that Trident is working on a bid as well.

Public Comment: None

Meeting adjourned to executive session at 7:50 p.m.

Executive Session: Personnel issues.

Meeting adjourned at 8:30 p.m.

Next Meeting: Wednesday April 20, 2016 at 6:45 p.m.