

**City of Port Jervis
Finance/Insurance Committee
Minutes for Meeting May 10, 2016**

Present: Committee Members Robert Ritchie, Sarah Hendry (late), Kristin Trovei and David Bavoso. Also in attendance were: Kelly Decker, George Belcher, Stanley Siegel and Robin Waizenegger City Clerk-Treasurer .

Absent: None

Finance meeting opened at 6:30 p.m. Chairperson Robert Ritchie opened the meeting with the pledge of allegiance and indicated that we will move to the 3rd item on the agenda.

Insurance Renewal – Mr. Robert Stubbs of Marshall and Sterling was present to brief the committee on the two proposals for coverage. One proposal was from the incumbent Travelers Insurance and the other from a previous carrier Trident. Mr. Stubbs indicated that Travelers did lower their premium approximately 25k but will not cover Dam #1 due to lack of a full assessment. This may be a problem next year with all carriers. Trident however is not requiring the full assessment for coverage on the Dam. A second issue is Travelers has scaled back the coverage on the vacant buildings.

Trident is now recognizing our improved loss ratio and has proposed a premium that will result in a 50K savings to obtain our business back. However Mr. Stubbs warned that a lack of updated information on Dam #1 may put coverage at risk.

Mr. Stubbs responded to a question by Mr. Siegel regarding the vacant properties by indicating that insurance carriers frown on insuring vacant properties as attractive nuisances.

Ms Hendry asked if the hiking and biking trails on the reservoir property had any impact on coverage and Mr. Stubbs indicated that it did not.

Mrs. Waizenegger did inform the committee that the claim from the justice department has been submitted to Travelers under the public officials liability with a \$25,000 deductible.

Motion was made by Kristin Trovei, seconded by David Bavoso to execute renewal with Trident per the authority of the Council. Vote: 4 Yes 0 No motion passed.

Review of 1st Quarter Revenue and Expenses – Mrs. Waizenegger reviewed the documents forwarded at the end of the 1st Quarter. She informed the committee that while Sales Tax in the report was an estimate and that the actual is now and was just over the estimate by a few dollars. She noted the mismatch of the FHT Tax revenue versus the budgeting of the PILOT as their exemption was removed in December 2015. She also indicated that while the vacant building fee revenue looks good she is not aware of the detail of that revenue to make a projection that this line will double or better. A meeting with David on this revenue will be forthcoming.

Mrs. Hendry questioned if we were getting gross receipt revenue from cell phone companies. Mrs. Waizenegger said that we receive revenue from Verizon which issues cell phone in our jurisdiction plus a very small amount from the direct sales cell phone companies but most phones used in our area are issued out of other jurisdictions where the physical stores are located. Mrs. Hendry also questioned the 1% rate which Mrs. Waizenegger indicated is the maximum unless we petition NYS for a waiver to raise it and very few waivers exist. She also indicated that collection enforcement is problematic and there are a few lawsuits from NIMO contesting the tax in western NYS.

Mrs. Waizenegger noted that the monies in the refund of prior year expenses is reimbursement for Officer Muller who left Port Jervis and a repayment of training costs was due from the other Police Department and this is

addressed in the budget changes. She also noted a mismatch of account coding in dial-a-bus which she may combine next year. She referred them to the written comments for other items.

She also noted that as this council did not move forward with the rate increase for Sewer revenue that will have to be a budget reduction in July.

She noted that Expenses were below 25% however she would be more at ease if the trend was further under despite the retirement payouts. She will accommodate the movement of the retirement payout amount budgeted to the salary lines where they were paid in the budget change between the police and the assessor.

All other expenses seem to be in the normal range.

Mrs. Hendry questioned some of the timing of individual expense lines such as uniform allowance which is paid in April not over the course of the year.

There was also discussion regarding the unusual heavy usage of overtime in the police department during the first quarter. The Police Chief came in to the meeting and also provided insight on the overtime issues.

Proposed 1st Quarter Budget Changes – Mrs. Waizenegger reviewed the changes which net to zero with use of contingency funds. Mr. Ritchie mentioned that in the police committee they review their budget each month and he suggested that each committee do that given the tight controls necessary. Mrs. Waizenegger indicated that each department head has reports available to them on demand. Most items are posted weekly or monthly with the exception of some items which are posted quarterly based on the fact that the Committee receives reports quarterly.

Nutrition Contract – Mrs. Waizenegger informed the committee that she had submitted all contractual increases we are experiencing in 2016 with any other operational expenses flat. The county of Orange however is not allowing any cost increases whatsoever above 2015 levels and making the City absorb all increases. Mr. Siegel indicated that he has watched the program dissolving since the County has taken leadership which is problematic. Discussion was had regarding the minimum level of staffing that already exists. An approval of the contract requires a commitment for the full year.

Discussion was had regarding the possibility of withdrawing from the program and turning the delivery of meals totally over to them. Mayor Decker indicated that he has spoken to Steven Newhaus and that he is aware of the problems in the program. He also indicated that he will be meeting with the existing full-time staff member with respect to the possibilities of the future of the program.

The committee decided to recommend absorbing the increase costs this year with development of a plan for action in 2017 regarding the turnover of the program to the County by the Mayor as the Council had already given the Mayor the power to execute already by resolution.

Revised 2017 Budget Forecast as of 5/3/2016 – Mrs. Waizenegger distributed an updated version of the items potentially impacting the 2017 budget. One positive item of insurance savings can be added. Also the potential for health insurance savings may be difficult to accomplish. A question was raised regarding legal liability with changing retiree's coverage.

Mrs. Trovei put forth that no matter what the City will have to make major changes. The Mayor also debated cuts versus tax increases and alternative revenue sources with members of the committee.

Tax Cap – Mr. Bavoso stated that he will be proposing the local law again next meeting. Mrs. Waizenegger stated that she recommends that the Council vote for the waiver if for no other reason than protecting your existing revenue from possible reduction based on the tax cap calculation rules with respect to the conversion of FHT from

PILOT to fully taxable status. She indicated that just passing the waiver doesn't mean that you have to increase taxes as that is a function of the budget not this waiver.

2016 Bond Requests – Mrs. Waizenegger indicated that she will be compiling requests for items to be included in a bond issue. The Mayor indicated that he has a long list that has been submitted.

Old Business: Mrs. Waizenegger reviewed the status of all of the open Capital Notes and Serial Bonds funds. Printouts were supplied to members with recommendations for movement of any unused funds to appropriate spending categories and closeout of the 2014 Capital Note.

Mrs. Waizenegger reviewed the accounting logistics of the transfer of the Berme Road monies versus the Sewer reserves that she is going through with the CPA's. Mrs. Waizenegger anticipates having the audit back by end of June.

New Business: Stan Siegel, Carol Gurliacci and Lt. Fitzpatrick are trying to tackle telephone expense reductions as an internal workgroup with Frontier. Mrs. Waizenegger informed the committee that if they do not prevail that NYCOM has a utility audit service which does an audit and recovers one-half of the savings as their fee. Mr. Seigel encouraged VOIP conversion as a possible savings, Mrs. Waizenegger proposed the elimination of the direct dial in lines and Chief Worden suggests using New Windsor PD IT as a consultant. Mr. Seigel questioned participating in the county system and Mr. Ritchie indicated that the County was not yet ready as they are still migrating their own staff into the system.

Public Comment: none

Executive Session: none

The meeting was adjourned at 8:25 pm. Next month's meeting - June 15th at 6:30pm.