

**City of Port Jervis
Finance/Insurance Committee
Minutes for Meeting May 19, 2017**

Present: Committee Members Kristin Trovei, David Bavoso, Lisa Randazzo and Sarah Hendry. Also in attendance were: Stanley Siegel and Robin Waizenegger City Clerk-Treasurer.

Absent: None

Finance meeting opened at 6:30 p.m. Chairperson Kristin Trovei opened the meeting with the pledge of allegiance.

Insurance Renewal – Mr. Robert Stubbs of Marshall and Sterling was present to brief the committee on the renewal proposal for coverage. He touched on a few items that have changed. The property coverages have been increased by 2% over the prior year which is the customary inflation guard. The schedule of equipment has been updated due to recent acquisitions which increased the schedule by \$43,000. Both of these items increase the premiums slightly. There was a decrease of vehicles by three from last year which decreased that section of premium. Also the headcount for active police officers increased by 1 due to filling a vacancy that existed last year. Therefore the overall premium was increased by approximately \$3000.

Mr. Stubbs indicated that the city could choose to reject coverages for acts of terrorism which would reduce the premium \$3000 below last years. It was noted that the most exposure for terrorism would be our reservoirs and dams. The committee debated the pros and cons versus the small increase of overall premium and decided to retain the coverage.

The committee will recommend to the Common Council the renewal as presented.

Audited Financials 2016 – Mr. Alan Walther from Bonadio & Co. was present to review the 2016 Draft audited financials as of 12/31/2016. Mrs. Waizenegger specifically noted that these are in draft form as she continues to week the reports with the audit staff but the numbers will not change. Mr. Walther noted the draft status as well and indicated that the minor presentation changes being worked on will not have any impact on the opinion or overall financials. He reviewed the required reporting, new GASB requirements, use of estimates along with evaluation of same and disclosures. He noted that they are giving the City a clean or unqualified opinion for 2016 and that the overall report is favorable.

It was noted that the MD&A is draft and Mrs. Waizenegger stated that there will be some edits before finalization.

Mr. Walther noted the statement of net position which is primarily tied up in capital assets which is typical of governments and schools. Also the liability for OPEB as shown on the financials has a negative impact on the net position of governments and schools.

He reviewed the balance sheet with all of the fund details noting that the General Fund showed improvement from the prior year while the water fund remained stable.

He reviewed the income statements and comparisons to budgets. Mr. Walther then referenced the notes to the financials noting the new tax abatement note and disclosure.

Mrs. Hendry questioned what the fiduciary funds are. Mrs. Waizenegger explained that everything the City collects, for example school and county taxes, or has on deposit for projects not yet completed are those funds which are commonly referred to as Trust & Agency funds.

On the comparison to budget Mr. Walter noted how close the City is to its budgeted expenses but did grow the fund balance in 2016. Mrs. Waizenegger explained in detail how the methodology for recorded the estimate

relative for doubtful accounts experienced a change based on historical analysis versus the method that had previously been used. This change resulted in some additional revenue being recorded in this year. Therefore a portion of the revenue for 2016 is not a result of operations but rather a change in estimates used. The increase experienced this year will not recur.

Mr. Walther reviewed the OPEB liability and retirement fund notes. He also noted that there were no internal control or compliance findings.

Mrs. Waizenegger noted that the amount of sewer reserve funds of \$182,286 in the General fund will be segregated and/or noted in the final report.

Mrs. Hendry questioned the classification of fund balances into categories. Mr. Walther noted that the definitions are contained in the notes but did a review of each category.

2017 Bond Requests – Mrs. Waizenegger indicated that she made the changes from the last meeting adding back 320k for the sewer vac truck, adjusting the spillway to a total cost of 642k and the addition of 150k for parking meters. As there was still discussion regarding the spillway and run off brook repairs it was noted that a change will be made after further discussion with Mr. Farr. Parking meters were discussed and removed as it was noted that we are not ready due to the ongoing construction in the downtown area. In addition it was noted that we could purchase them at a future date using a capital lease and using the meter revenue to make those payments.

There was continued discussion on the 2 Backhoes and the sewer vac truck. The committee reviewed the repair costs and input from the DPW director as well. The committees asked Mrs. Waizenegger to research and provide the details and restrictions of the shared services grant which purchased the current sewer vac truck with Middletown to better evaluate a decision on that purchase. It was noted that there is an inconvenience factor associated with sharing the asset. It was also noted that the governor is pushing shared services.

The committee continued to struggle with the finalization of the items and amounts to include and will review for finalization at the June meeting.

It was also noted that the promenade cost has been increased by \$50,000 for the additional cost of an on-site clerk of the works required by NYSDOT.

It was clarified that if any bond item cost is less than the planned amount unused funds can be reallocated to items within the bond, to like or similar items and/or as repayment of principal on the debt.

Old Business: Mrs. Waizenegger reviewed the status of the Electronic Death Record System (EDRS) by the NYS Dept. of Health noting that implementation has been slower than anticipated as the local hospital, nursing home and one funeral home did not have their staff trained or enrolled in the system yet.

New Business: None

Public Comment: none

Executive Session: none

The meeting was adjourned at 8:00 pm. Next month's meeting - June 21th at 6:30pm.