

**City of Port Jervis
Finance/Insurance Committee
Minutes for Meeting February 27, 2019**

Present: Committee Members Kristin Trovei, David Bavoso, Lisa Randazzo and Dominick Santini. Also in attendance were: Maria Mann, Stanley Siegel, Regis Foster, Mayor Kelly Decker Police Chief William Worden, Fire Chief Dominic Cicalese and Robin Waizenegger City Clerk-Treasurer.

Absent: None

Kristin Trovei opened the meeting with the pledge of allegiance at 6:00 pm.

Public Comment – Mr. Beasley stated that he had printed the Audited Financial Statements and explained how he had reviewed them and thinks that the City is in decent shape. He noted that a large portion of the budget is public safety and transportation and questioned where revenues come for that. The Mayor explained to him that the state gives us a large portion of the transportation funds for paving streets. Mrs. Waizenegger explained that there is difference between the operating budgets and the financials is that the financials include all funds of the City plus the Port Jervis CDA whereas the City operating budget is General, Water and sewer funds.

Ms. Laura Eckert indicated that she wanted to listen and then provide input later in the meeting if possible.

Capital Note – Mrs. Waizenegger referred the members to a handout displaying the capital items requested from the departments during the budget process and some subsequent additions. She noted that a server in the police department can be deleted as the request she received from Spinnertech was duplicative of an amount the police chief had put in last year's note.

The fire chief, Dominic Cicalese, indicated that the Fire department would like to retain the line for fire equipment for harnesses but that the line for turnout gear could be deleted.

The police chief reviewed his items expressing an additional desire to have a garage door put on the building in back of the police department.

The Mayor and the police chief reviewed the camera requests with respect to public safety and the nature of the cameras to be constructed.

Mrs. Waizenegger indicated that the revised total with the two deletions is now \$126,600. Mr. Siegel asked that the revised listing be sent to everyone.

Old Business –

Bonadio Invoice - Mrs. Waizenegger informed the committee that the invoice from Bonadio & Co. with respect to having to re-open the financial statements due to a missing CDA grant is still outstanding. She was unable to convince Bonadio to forego the fee due to their error and questioned what the committee's pleasure as to how to proceed. The committee agreed that the bill should be forwarded to the CDA for their payment.

Ms. Mann interceded for additional clarification on the 2 cameras. The police chief reviewed the value and cost of point to point communication and the solar power requirements. It was noted that the cameras cost 9500 and 19500. The cost of the materials for pole construction is in the cost with the DPW to provide the labor. It was noted that the cameras will be bid before purchase

Insurance Renewal – Mrs. Waizenegger informed the committee that she had followed up on a referral from the Mayor of another broker to bid the City's insurance. The broker however indicated that our current agent has quotes with the 3 major markets and that he could not be competitive outside of those three companies. Therefore, the city will continue to proceed with obtaining quotes using the three insurers through Marshall & Sterling. Chief Worden expressed the importance and cost savings for training he achieves through our current carrier, Trident, by utilizing the free training available through them. He asked that this be taken into consideration for the renewal. Mrs. Trovei asked when the renewal was due. It is May 22nd and he may be at the April meeting and if not, a special meeting may be required. Ms. Randazzo asked

that the finance meeting be moved due to the school spring break schedule. The committee agreed that the meeting could be moved to April 24th.

Fire Dept. Physicals - It was noted that a budget change will be necessary to move monies for fire department physicals. Chief Cicalese indicated that he wants to stay with the current provider. The monies will be moved from the health insurance line as we received a lower premium increase. The amount of the change will be \$13,000. Mr. Siegel wanted it on the record that he is disappointed in Bon Secours Hospital's withdraw of their previous free service in this area.

Tourism Deferral/Stage Purchase – Ms. Mann presented a lower cost option for a stage and she wanted it explored if the current stage could be re-built. Mr. Trovei suggested a bidding process for a new stage with the specifications we have to add the additional enhancements and have a stage that is ADA accessible. Mrs. Waizenegger asked where the monies for the stage will come from if not from the tourism monies. Mr. Decker and Mrs. Trovei indicated that they thought the O&R rent should cover this.

The members present discussed deferring or reserving funds generated from the 2018 events and decided to defer \$5000 for future marketing, possibly some banners, brochures or website redesign, with the balance deferred for advertising or other expenses for the 2019 events.

New Business

Engine 1 Replacement – Chief Cicalese presented to the Council that the Fire department desires to replace Engine 1 this year. He stated that as the rescue truck company has been disbanded, they would not look to replace that truck but rather deploy equipment from it to other trucks. Engine 4 will also need replacement, but they do not want to both at the same time but 24 months from now. Mayor Decker inquired about the idea of purchasing stock trucks versus custom trucks. Chief Cicalese presented the idea of purchasing a standard truck and adding enhancements from there. He is proposing purchasing a truck through a purchasing consortium with possible piggybacking options. Chief indicated that the steel and aluminum tariffs are driving costs up and he thinks the truck will cost approximately \$690,000. All trucks have a 20-year life. Mr. Santini asked what will happen with the old truck. Chief Cicalese indicated that we will use a used equipment dealer to market it. Mrs. Waizenegger indicated that there are two financing options for fire trucks which is capital lease or inclusion in a serial bond depending on the market rates at the time. Mrs. Waizenegger questioned the bidding process as the chief claims to have a custom spec done with a company in Maybrook. The committee and Mrs. Waizenegger will explore the options.

Sales Tax Recap – Mrs. Waizenegger gave a recap of the sales tax revenue versus budgeted over the past 4 years. She explained that the numbers quoted in the newspaper was not new monies it was the amount that Orange County had not included in their budget not ours. She then explained that from an accounting perspective how Orange county inflates its revenue and expense instead of recording the portion of sales tax due to the cities, towns and villages as a liability not grossing up their budget. She also reviewed the volatility of the quarterly payments and repeated her caution to be conservative in the budgeting. She also expressed that the new internet sales tax is being discussed as something separate from the general sales tax which she believes it is not and that the city will have to be on top of fighting both Orange County and NYS to not separate that revenue from our sales tax sharing agreement. She also noted the change that occurs from changes in census numbers.

Mr. Bavoso indicated that it's time to issue the tax cap law. Mrs. Trovei let him know that she already has it for our next meeting.

Mr. Siegel and Mr. Bavoso left the meeting at approximately 7 pm.

Sale of City Property – Mrs. Waizenegger issued a list of properties currently held as a result of the tax lien sale. She put notes when there is a pending sale, pending demotion and/or complications to sale. She also explained that the value shown is the amount of monies that the city has had to pay in the lien process and or for demolitions etc.

Mrs. Waizenegger explained that the City does when it acquires the property it files for a two-year exemption. After the 2-year period if the property is not being used for a municipal purpose the City must pay taxes again. The committee discussed various methods of sale and the history of our use of different methods. It was discussed and agreed that the sale of these properties will not generate profits.

Ms. Eckert commented as a member of the public that she believes the best method of sale is through your local brokers. She has been appalled by the most recent sale to a real estate investor at an amount she feels is way under market value.

Mrs. Trovei indicated that our history has been inconsistent and now the Council needs to decide what method it is going to use for sale.

A discussion was had regarding the homestead program restrictions and the pros and cons of them. Ms. Randazzo indicated that unfortunately as the composition of the council changes the method of sales are still subject to change.

Ms. Eckert wants as a taxpayer to know that the Council is acting prudently on behalf of the taxpayers. While she understands these properties are problematic, but she believes realtors will do the best job. She also discussed possibly re-vamping the homestead program.

It was also noted that many taxpayers want the City out of the real estate business and our insurance carrier does not want unoccupied houses hanging on our policy. At the same time the City is concerned that many outside investors are not renovating appropriately or become absentee landlords without necessary maintenance. Mrs. Trovei stated the code committee is now considering other enforcement options. The council will have to have more discussion to decide and as of right now all future sales are halted until the council decides on what they want to do. There is a possible development agency, RUPCO, that may build single family homes on the lots from the demos. The Mayor will forward the list to the assessor to include descriptive information and market values. All parties also discussed the problem of insurable title on tax lien properties.

Human Resource Management – Mayor Decker questioned if there is revenue we could earmark for the additional expense of adding a human resource staff member or hire a consulting firm to at a minimum review and update policies. There are very few monetary resources available. Mrs. Waizenegger indicated that she has an update to policy from our legal counsel and could reach out to see if Public Sector HR who wrote the template is still around. Mr. Santini indicated that he consulted with his HR department and that there are firms to hire but the laws in this area constantly change so it really must be an on-going process to stay updated. Mrs. Waizenegger also stated that before you shop services you have to know what it is you are shopping for as the HR field is very broad. It was also noted that you have to deal with the unions in this process. The finance committee wants to establish a sub-committee to research and develop our needs in this area and develop a plan for improvement. Chief Worden discussed the methods used within the police department and his willingness to serve on the sub-committee. Mrs. Trovei will send an email to attempt to put together a sub-committee. Mrs. Waizenegger will see if Public Sector HR still exists and she noted the possibility of sharing HR services with the school district and Chief Worden noted that the Town of Deerpark also has no HR function.

Motion by Kristin Trovei, seconded by Lisa Randazzo to adjourn at 7:55 pm. All members voted approval.

Next month's meeting – March 20th 2019 at 6:00 p.m.