

City of Norwich, Department of Finance

One City Plaza
Norwich, New York 13815
(607) 334-1230

Minutes

Finance/Personnel Committee Meeting of October 2, 2007

Ald. Robert Jeffrey, in the absence of Committee Chair Ald. W. Schermerhorn, presided at the meeting of the Finance/Personnel Committee held at 6:00 PM on October 2, 2007, in the Common Council Chambers at One Court Plaza.

Present:

Ald. Robert Jeffrey
Ald. Paul Laughlin

Absent:

Ald. Walter Schermerhorn

Also Present:

Director of Finance William Roberts
Human Resources Director Deborah DeForest
DPW Superintendent Carl Ivarson
Mayor Joseph Maiurano
Police/Fire Chief Joseph Angelino
Ald. Suzanne Williams
Deputy City Clerk Brian Drake
Code Enforcement Office Jason Lawrence
Youth Bureau Director Robert Mason
Media Representative Jessica Lewis
Joan Mokay, PERMA Representative
Stan Cwynar, Cwynar & Company CPAs PLLC
EMO A. Jones

Call to Order

The meeting was held in the Council Chambers at One Court Plaza and called to order at 6:08 p.m. by Ald. Jeffrey.

Approval of Minutes

Ald. Laughlin **moved** to approve the minutes from the meeting of September 4, 2007. Seconded by Ald. Jeffrey and duly approved ayes all.

Youth Bureau

Youth Bureau Director Robert Mason submitted the proposed budget for the Youth Bureau for 2008. He noted that it asked for a \$600 increase over the 2007 budget, but that the 2007 budget had been reduced \$11,000 from 2006. He also noted that he had eliminated the summer position. Ald. Jeffrey asked if R. Mason deemed this budget adequate. R. Mason replied that the budget should prove adequate, though the school system was often unpredictable, and school construction projects had caused many schedule changes over the year. Ald. Jeffrey commented that the Youth Program has been very successful and received positive feedback from parents.

R. Mason then requested a motion to authorize the Mayor to sign agreements with towns for youth recreation services, adding that the cost would be \$11,371 for five townships, representing no increase over the current year. He noted that in the smaller towns, amounts will vary depending on registration. Ald. Jeffrey **moved** to recommend Council approval of a resolution authorizing agreements with towns for Youth Recreation Services. Seconded by Ald. Laughlin, duly approved ayes all.

Visitors

PERMA

Joan Mokay, representative of PERMA (Public Employer Risk Management Association, Inc.), spoke to the Committee regarding the interface between Workers' Compensation and New York State retirement benefits for the Police and Fire Departments. She explained that when the Police and Fire Departments have a claim, the employee files for disability and wages are continued until the employee's retirement is approved. After that approval, PERMA picks up the wages for retirement. Ald. Jeffrey asked how long that process generally takes. Ms. Mokay responded that it can take from 12 to 18 months, depending upon the claim, and some claims may be denied. She commented that the State retirement system offers $\frac{3}{4}$ - and $\frac{1}{2}$ -pay retirement, and that if the retirement is $\frac{3}{4}$ -pay,

there is an offset, meaning that State retirement may pay less of the retirement and PERMA will make up the difference. Ms. Mokay also remarked that PERMA is not a State office but a member-owned, not-for-profit association of public entities providing workers' compensation benefits through a group self-insurance program. PERMA acts as a third-party administrator for Chenango County. Director of Finance William Roberts asked about whether PERMA is fully insured or self-insured. Ms. Mokay stated that it is fully insured, but works as a pool, where participants make contributions. Human Resources Director Deborah DeForest asked whether, as the retirement designation is often retroactive, the municipality would be reimbursed for wages paid during the retroactive period. Ms. Mokay replied that after the designation is made and the employee is retired, the municipality would file a claim and PERMA would reimburse them for the wages at a compensation rate.

D. DeForest commented that she had been informed by a NYCOM attorney that a recent change required municipalities to increase a retired person's pay if there were union increases. Ms. Mokay responded that that would be true for disability wages until retirement was approved. Ms. DeForest then remarked that as she understood the attorney, the increase would be continued after the retirement designation and the municipality would be responsible for the increased pay. Ms. Mokay stated that she was not aware of such a ruling, and that she would like to speak to that attorney to have this clarified. Chief Joseph Angelino remarked that the Police Department had not to date had a 207(c) case and asked, if an employee retired on ½-pay, could that employee then work. Ms. Mokay said that she would have to research that in regard to retirement, but that for workers' compensation PERMA would pay reduced wages, whether the employee was at ½- or ¾-pay, because of the additional income. Ald. Jeffrey thanked Ms. Mokay for her presentation.

2006 Audit

Stan Cwynar, of Cwynar & Company CPAs PLLC, reported to the Committee on the 2006 Audits his firm performed. He remarked that the City appeared to be in good financial circumstances, that long-term debt was decreasing, and that there were no compliance issues with grants and no problems with internal controls. There followed a discussion regarding the City's financial software, and Mr. Cwynar recommended that a manual should be created for financial staff detailing procedures, which would facilitate training. W. Roberts commented that Mr. Cwynar's firm had benefited the City greatly in compliance with GASB 34, which will lead to savings in the new bonding activity the City is anticipating. Mr. Cwynar also mentioned that new accounting standards may be implemented soon that will require municipalities to do their own reporting, and the City may wish to prepare for this requirement. The Committee thanked Mr. Cwynar for his and his firm's hard work and time.

Public Safety Items

Police

Overtime

Chief Angelino reported that the Department has to date used 101% of its budgeted overtime funds. Both assistant chiefs have been covering shifts, and overtime will likely continue until new recruits arrive on October 16, though they will still require one month's training before they can be fully utilized.

Fire

Overtime

Chief Angelino reported that the Fire Department had been tracking well on overtime expenses until August, when one firefighter suffered an injury-related absence and, upon his return, another firefighter was injured. Overtime had been running approximately 45 hours per pay period, but is currently averaging 160 hours per pay period. While there is only \$2,800 remaining in the Overtime Expense fund, through frugality he hopes to have all bills for the Department through year-end paid by the end of October so that the Fire Department will not require more funds.

Additional Part-Time Firefighters to Help Cover Shifts

Chief Angelino noted that he is hoping to hire part-time firefighters to help cover the shifts, as funds are available for part-time firefighters, to help cover overtime costs. Ald. Jeffrey asked if overtime for the remainder of the year had been projected. Chief Angelino replied that he did not have those figures yet, but expected them to be from 21,000 to 26,000 for shift coverage, which did not include ambulance calls.

Superior Ambulance

Chief Angelino reported that Superior's intention to cease ambulance service to Chenango County had been known for over a year, and that he has been in contact with other fire chiefs to discuss the issue, but would make no recommendations until the County formulated a plan. Ald. Jeffrey commented that the Chief had done excellent work running both Police and Fire.

Ald. Jeffrey **moved** to recommend the Common Council discuss the emergency-services situation and requested information regarding the City's coverage of transport requests from outside the City. Seconded by Ald. Laughlin, duly approved ayes all.

Codes

Code Enforcement Officer Jason Lawrence announced that the new software developed by General Code would be installed on November 12 and training would follow for the entire week. The new software will track buildings, fire inspections, complaints, rental registration, licensing and insurance coverage of contractors, and zoning; will allow the Police and Fire Departments to look up property information; would integrate with a point system if such a system were implemented; and includes accounting modules for permit fees and the like. Mayor Maiurano commented that Jason Lawrence had also been working closely with the Fire Department to prepare firefighters to conduct fire inspections. J. Lawrence added that the Code Office had completed 101 complaints in the month of September and that a report would be forthcoming.

The Mayor asked Deputy City Clerk Brian Drake about the City Charter publication being coordinated with General Code. B. Drake responded that a draft of the Charter was expected in December, and following receipt he would be working to assure that all ordinances and other changes from the prior publication (in 1968) had been properly integrated.

Community & Economic Development Projects & Funds

Preserve NY Grant

Ald. Jeffrey **moved** to recommend Council approval to accept a grant of \$6,000 from Preserve NY and appropriate such funds to Planning, and to approve a contract with Cynthia Carrington Carter. Seconded by Ald. Laughlin, duly approved ayes all.

Public Works & Engineering Items

Water and Sewer Budgets 2008

C. Iverson presented 2008 budgets for Water and Sewer. The Water budget contains a 3% increase, the Sewer budget contains a 2% increase. He added that the Water budget contained no other changes, while the Sewer budget showed an increase for laboratory expenses under Treatment & Disposal for phosphate removal to try to meet new standards. If these standards cannot be met, a new process may be required.

RBCs Replacement Project - Bonding Resolution

W. Roberts reminded the Committee that the Common Council had passed a resolution at September's Regular Meeting to proceed with Bonding for the RBCs Replacement Project and that there will be a resolution related to the project at the October Regular Meeting. He also noted that, while the project does not require a public hearing, a courtesy notice that the project would be discussed at the next meeting would be placed in the newspaper of record.

RBCs Replacement Project - Bond Counsel Proposal

W. Roberts presented to the Committee a proposal from Orrick, Herrington & Sutcliffe to act as bond counsel and noted that the proposal fit with the budget for the project. Ald. Jeffrey **moved** to recommend Council approval of the proposal. Seconded by Ald. Laughlin, duly approved ayes all.

RBCs Replacement Project – Financial Advisor Proposal

W. Roberts presented to the Committee a proposal from Municipal Solutions, Inc. and Allardice & Associates to act as financial advisor. Ald. Jeffrey **moved** to recommend Council approval of the proposal. Seconded by Ald. Laughlin, duly approved ayes all.

Old Business

Partners Trust Bank Merger with M&T Bank

W. Roberts noted that the Common Council had approved Resolution #80-2007 authorizing signatories and depository transactions with Partners Trust Bank, and following the merger of Partners Trust Bank with M&T Bank another resolution would be required for the same purpose. Ald. Jeffrey **moved** to recommend Council approval of the resolution. Seconded by Ald. Laughlin, duly approved ayes all.

New Business

November Committee Meeting Date

W. Roberts informed the Committee that the scheduled Finance/Personnel Committee Meeting for November would fall on Election Day, a day on which City offices are closed. Ald. Jeffrey suggested the meeting be rescheduled for Monday, November 5, at 6:00 p.m. in the City Council Chambers at One Court Street. This will be confirmed with Ald. Schermerhorn.

Request for Subordination of Mortgage

W. Roberts reported to the Committee that a request had been received for subordination of the City's mortgage on 8 State Street, part of the Housing Rehabilitation Project, as the owners are refinancing their primary mortgage. He added that there are no loans involved. The grant made by the City is held as a secondary mortgage until the owners have retained possession of the property for five years. They would owe nothing as long as that condition is met. He noted that the City would retain its secondary position. He further commented that the owners have made tremendous improvements to the property. Ald. Jeffrey **moved** to recommend Council approval of the subordination agreement. Seconded by Ald. Laughlin, duly approved ayes all.

Economic Development Loan – Main Street Program, McLaughlin's Department Store

W. Roberts reported that the Loan Committee had unanimously approved a \$25,000 economic development loan for McLaughlin's Department Store, which had qualified under the Main Street Program. Ald. Jeffrey **moved** to recommend Council approval of the loan. Seconded by Ald. Laughlin, duly approved ayes all.

Discussion: Mayor Maiurano commented that the Committee had received the monthly report on the City's economic loan program, and that most of the accounts were either current or were making regular payments.

Executive Session

Ald. Jeffrey **moved** to enter executive session at 7:21 p.m. to discuss the credit history of a particular corporation. Seconded by Ald. Laughlin, duly approved ayes all.

Ald. Jeffrey **moved** to exit executive session at 7:32 p.m. Seconded by Ald. Laughlin, duly approved ayes all.

Adjournment

Ald. Jeffrey **moved** to adjourn at 7:35 p.m. Seconded by Ald. Laughlin, duly approved ayes all.

Next Finance/Personnel Committee Meeting – November 5, 2007