

FISHERS ISLAND FERRY DISTRICT

July 18, 2016

Minutes of the Meeting of the Board of Commissioners Fishers Island Ferry District

A meeting of the Board of Commissioners of the Fishers Island Ferry District (the "Ferry District") was called to order on July 18, 2016 at 4:37 PM by Chairman Ahrens at the Fishers Island Community Center.

Commissioners Andrew Ahrens, William Bloethe, Harry Parker, and Peter Rugg were present. Diane Hansen and Gordon Murphy were also in attendance. RJ Burns attended by telephone.

Chairman Ahrens opened the meeting and established that a quorum was present. Everyone in attendance pledged allegiance to the flag.

Public Comment

Chairman Ahrens noted the letter request by the Friends of the FI Theater to hold three funds raisers at the theater (July 23rd, August 5th and August 12th). It was also note that IPP did not formally request free passage the band of the 4th of July parade. Mr. Murphy was asked to speak with IPP. Another letter was discussed on a billing issue and management was asked to discuss the matter with the customer.

Warrant

The Board reviewed and discussed a list of outstanding financial obligations provided by D. Hansen, then passed the following resolution. It was requested to pay only the first installment of the New London property tax due in August.

RESOLUTION 2016- 144

RESOLVED, that the Board of Commissioners of the Fishers Island Ferry District hereby approves the Warrant dated July 18, 2016, in the amount of \$ 96,088.64

Moved by: Commissioner H Parker

Seconded by: Commissioner P Rugg

Ayes: A Ahrens, W Bloethe, H Parker, P Rugg, D Shillo

Nays:

A brief discussion on the Munistat Services invoice for work on the Revenue Anticipation notes for the FEMA airport work took place.

RESOLUTION 2016-145

Resolved that the Board of Commissioners of the Fishers Island Ferry District hereby authorizes and directs Assistant Manager Gordon Murphy to execute the Municipal Advisor

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Services Agreement with Munistat Services, Inc. dated July 5, 2016 in connection with the provision of services required for the issuance of Revenue Anticipation Notes to finance the Airport Lighting and Signage Project, subject to the approval of District Counsel.

Moved by: Commissioner H Parker

Seconded by: Commissioner A Ahrens

Ayes: A Ahrens, W Bloethe, H Parker, P Rugg, D Shillo

Nays:

The board agreed to thank the Town of Southold for their help in assisting the Ferry District on the Revenue Anticipation Notes.

A discussion on the District's Procurement Policy on adjusting certain threshold ranges and the need to review and modify the policy even further in the fourth quarter took place. It was agreed that the review should commence as soon as possible.

RESOLUTION 2016-146

RESOLVED that the Board of Commissioners of the Fishers Island Ferry District hereby amends Guidelines 1, 2 and 3 of its Procurement Policy to require that purchase contracts in excess of \$20,000 and Public Works contracts in excess of \$35,000 be competitively bid in accordance with Section 103 of the General Municipal Law and be it further

RESOLVED that Guideline 2 and 3 are amended to raise the discretionary purchasing threshold from \$1,000 to \$3,000, and be it further

RESOLVED that Assistant Manager Gordon Murphy is directed to post the revised policy on the District's website.

Moved by: Commissioner H Parker

Seconded by: Commissioner A Ahrens

Ayes: A Ahrens, W Bloethe, H Parker, P Rugg, D Shillo

Nays:

Mr. Murphy gave a brief overview of the marine and P&C policies. Exclusive of workers comprehensive and the new garage keeper's policy the premium was down 2.5%. The garage keeper's policy added \$2,200 and workers comp came in at \$34,199. This was much lower than expected.

RESOLUTION 2016-147

Whereas Cornerstone Gencorp reviewed the current policies with several underwriters for each insurance category.

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It is therefore RESOLVED that the Board of Commissioners authorizes Mr. Murphy to execute all policies and ancillary documents necessary to renew the Fishers Island Ferry District's 2016-2017 Property /Liability insurance package, administered by Cornerstone Gencorp.

Moved by: Commissioner: H Parker

Seconded by: Commissioner: A Ahrens

Ayes: W Bloethe, P Rugg, D Shillo

Nays:

Mr. Murphy reported on the airport lighting & signage seawall projects. The means to fund the FEMA reimbursable has started and two further legal documents were needed in order to prepare the project for a late September start. It was determined that the seawall project would have to be deferred due to priorities and timing due to project management, bidding and permitting and as such the Ferry District would ask the Town to request a grant extension from FEMA.

RESOLUTION 2016-148

WHEREAS, the TOWN OF SOUTHOLD and the Fishers Island Ferry District were awarded a grant by FEMA in 2014 in the amount of \$125,637.50 for the reconstruction of two sections of the Elizabeth Field Airport's seawall; and

WHEREAS, the Board of Commissioners in consultation with the Town has determined that it would be prudent to defer implementation of the Seawall project until the Lighting and Signage project is completed; and

WHEREAS, in order to maintain the available grant funding for the seawall project, a request for an extension of the completion date of the project must be made by the Town of Southold, as owner of the Airport, to FEMA on or before September 15, 2016, now, therefore be it

RESOLVED that the Board of Commissioners of the Fishers Island Ferry District hereby authorizes and directs Chairman Andrew Ahrens to request that the Town of Southold submit the required request documents for an extension to FEMA on or before September 15, 2016.

Moved by: P Rugg

Seconded by: A Ahrens

Ayes: A Ahrens, W Bloethe, H Parker, P Rugg, D Shillo

Nays:

RESOLUTION 2016 - 149

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WHEREAS, FEMA has awarded a grant to the Town of Southold and the FIFD for the reimbursement of costs for the repair of Lighting and Signage at Elizabeth Field Airport; and

WHEREAS, the FIFD has engaged the professional engineering services of C&S Engineers, Inc. of Syracuse, New York ("C&S") to provide construction design, observation and administration for the lighting and signage repair project. Now, therefore, be it RESOLVED by the Board of Commissioners of the Fishers Island Ferry District that Assistant Manager Gordon Murphy is hereby authorized and directed to execute the Lump Sum Consulting Agreements with C&S for Construction Design and for Construction Observation and Administration, subject to the approval of District counsel, and further directed to forward said Agreements to Supervisor Scott A. Russell for his review and signature, subject to the approval of the Town Board.

WHEREAS, the FEMA has awarded a grant to the Town of Southold and the FIFD for the reimbursement of costs for the repair of Lighting and Signage at Elizabeth Field Airport; and

WHEREAS, the Fishers Island Ferry District has accepted and the Town Board of the Town of Southold has ratified the acceptance the bid of Baseline King Corporation to complete the required repairs in the amount of \$441,417.05. Now, therefore be it RESOLVED by the Board of Commissioners of the Fishers Island Ferry District that Assistant Manager Gordon Murphy is hereby authorized and directed to sign any and all contract documents with Baseline King Corporation required for the completion of the project, subject to the approval of District counsel, and further directed to forward said Contract documents to Supervisor Scott A. Russell for his review and signature, subject to the approval of the Town Board.

Moved by: Commissioner: H Parker

Seconded by: Commissioner: P Rugg

Ayes: A Ahrens, W Bloethe, H Parker, P Rugg, D Shillo

Nays:

Ms. Hansen gave a brief overview on customer over-payments. In the past it was encouraged customers to have a positive balance. The auditors and best practice frown on this as it interferes with the District's accounts receivable and funds held too long on the books would be escheated by the state. Ms. Hansen recommended that the policy of credit balances be changed and that customers should pay going forward what was due the Ferry District.

RESOLUTION 2016- 150

Whereas customers have been overpaying freight invoices based on Ferry District policy and practice and,

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Whereas many customers have credit balances for many months and,
Whereas this practice understates accounts receivable

Therefore it is resolved that with effect 1 September 2016 the Ferry District freight office will not accept payments that are greater than an account balance and,

Be it further resolved that all overpaid balances will be refunded during FY2016.

Moved by: H Parker

Seconded by: W Bloethe

Ayes: A Ahrens, W Bloethe, H Parker, P Rugg, D Shillo

Nays:

Mr. Burns gave a brief overview of the traffic data noting that some fields needed additional work and that the on-time performance was not available. It was asked that a second employee be trained to fulfill the needs of the database and board report. Ms. Hansen gave a brief summary of the new format developed by the Finance Committee. It was more difficult to prepare, but it made for a better report. The Ferry District is doing well on ferry operating revenues and expenses. Car and passenger traffic is down, but this has been made up by an increase in freight.

At this time there was no news to report on the August 9th election as management has not received a petition to run. It was confirmed by the board that board members seeking re-election should also present the required petition.

Executive Session

At 6:15 pm, the following resolution was proposed:

RESOLVED, that the Board of Commissioners move into executive session for the purpose of discussing matters leading to the employment of particular persons.

Moved by: Chairman H Parker

Seconded by: Commissioner P. Rugg

Ayes: A. Ahrens, W. Bloethe, H. Parker, P. Rugg, Shillo

Nays: None

That business being concluded, at 6:35 pm, the following resolution was proposed:

RESOLVED, that the Board of Commissioners exit executive session and resume public session.

Moved by: Commissioner W Bloethe

Seconded by: Commissioner A Ahrens

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Ayes: A. Ahrens, W. Bloethe, H. Parker, P. Rugg, D Shillo

Nays: None

Human Resources

The following resolutions were proposed and accepted:

RESOLUTION 2016-151

RESOLVED, that the Board of Commissioners of the Fishers Island Ferry District hereby approves an increase in the wages of Edward Bridgman from \$12.78 per hour to \$14.03 per hour, effective July 21, 2016, in recognition of his outstanding performance of his duties as a Deckhand (FIFD).

Moved by: H Parker

Seconded by: P Rugg

Ayes: A Ahrens, W Bloethe, H Parker, P Rugg, D Shillo

Nays:

Commissioner Rugg discussed the NYS audit and that there would be a meeting on Thursday July 21 to discuss the findings of the draft report. The Ferry District's management, one commissioner and Scott Russell, Town Supervisor were asked to attend. The Ferry District was asked to prepare a response to the NYS's confidential draft report. Ninety days after the final audit is issued the Ferry District has to prepare its Corrective Action Plan on how it has and will address the findings of the confidential draft audit.

Commissioner Rugg explained that work had already begun on the Corrective Action Plan as part of the drafting of the response letter. The Commissioner went on to note that there were several areas that the Ferry District needed to address and that work on these had begun, but many detailed procedures were required to be developed, codified and implemented by management. It is expected that many facets of the organization will have to change in light of the report. A broad conversation ensued. It was agreed that the audit, its findings and the implementation of the Corrective Action Plan would be difficult, but very positive for the Ferry District. The following resolutions were presented.

RESOLUTION 2016 - 152

Whereas the BOC recognizes the need for a policy on credit cards

Therefore be it resolved that the BOC directs management to request review by counsel of the credit card policy adopted on June 8, 2015 in insure that the policy is in conformance with the requirements of the Office of the New York State Comptroller, the Town of Southold and best business practices. The revised credit card policy is to be presented for ratification by the Board of Commissioners no later than September 1, 2016.

Moved by: Commissioner: H Parker

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Seconded by: Commissioner: P Rugg

Ayes: A Ahrens, W Bloethe, H Parker, P Rugg, D Shillo

Nays:

RESOLUTION 2016 – 153

Whereas the Board of Commissioners recognizes that a policy on cash management is needed:

Therefore be it resolved that the BOC directs management to closely monitor and supervise the receipt of funds; to ensure separation of duties for employees who receive, record and deposit payments, or enact a procedure that ensures oversight and routine review of this work; to ensure daily deposit and daily recording of all funds; and to reconcile sales records to income records.

Be it further resolved that the Board of Commissioners directs management to prepare comprehensive cash management procedures to be presented to the Board of Commissioners for approval in the fourth quarter of 2016.

Moved by: Commissioner: H Parker

Seconded by: Commissioner: P Rugg

Ayes: A Ahrens, W Bloethe, H Parker, P Rugg, D Shillo

Nays:

RESOLUTION 2016 – 154

Whereas the Board of Commissioners recognizes the need for a policy on payroll,

therefore be it resolved that the Board of Commissioners directs management to maintain accurate payroll records. This includes assigning individual access codes for payroll software to each user; approval by a manager or their designee of hours clocked; recording in the payroll software paid time off accrued and taken; and regular review of paid time off by management for accuracy and conformance to the provisions of the Employee Handbook and the Collective Bargaining Agreement.

Be it further resolved that the Board of Commissioners directs management to prepare comprehensive payroll procedures to be presented to the Board of Commissioners for approval by fourth quarter of 2016.

Moved by: Commissioner: P Rugg

Seconded by: Commissioner: H Parker

Ayes: A Ahrens, W Bloethe, H Parker, P Rugg, D Shillo

Nays:

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RESOLUTION 2016-155

Whereas the Fishers Island Ferry District is required to respond by July 21, 2016 to the preliminary draft findings of the Office of the State Comptroller entitled Financial Operations, Report of Examination 2016M-156.

Therefore it is resolved that Chairman Ahrens be authorized to execute the response of the Board of Commissioner's of the Fishers Island Ferry District and send the document sent the Hauppauge Regional Office.

Moved by: P Rugg

Seconded by: H Parker

Ayes: A Ahrens, W Bloethe, H Parker, P Rugg, D Shillo

Nays:

Chairman Ahrens wished to thank the Finance Committee and management for their efforts over the weeks on the response letter and on starting the Corrective Action Plan.

Adjournment

There being no other business to discuss, Chairman Ahrens reminded those present that the next meeting would be on Monday, August 1 2016, at 4:30 pm, with a 3:30 pm working session, at the Community Center.

At 6:47 pm, Commissioner W. Bloethe moved to adjourn the meeting, Commissioner H. Parker seconded, and in a unanimous voice vote, the motion passed.

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Not part of the minutes

Open Items:

1. Advice on Procurement policy and professional services such as insurance
- 2.