

## FINANCE

Tuesday, January 17, 2017 – 5:30 p.m.

Police Training Room – Olean Municipal Building

Present: Members: Chairman Dougherty, Vice Chairman Crawford, Alderman Witte, Alderman Andreano, Alderman Gonzalez, Alderman Smith, and Alderman George. Others: Mayor William Aiello; Nicholas DiCerbo, Jr., City Attorney; Fred Saradin, City Auditor; Tom Windus, Director of Public Works; Jeff Rowley, Police Chief; Ed Jennings, Code Enforcement Supervisor, and Tiffany Taylor, Managerial Confidential Administrative Secretary.

### 1. Roll Call

Alderman Dougherty called the meeting to order at 5:30 p.m. and asked that the record show that all committee members were present.

### 2. Approval of Minutes of the Previous Committee Meeting (Tuesday, June 21, 2016)

A motion to approve the minutes of the June 21, 2016 meeting was made by Alderman Dougherty, seconded by Alderman Gonzalez. Voice vote, ayes all. Motion carried.

### 3. Unfinished Business

None

### 4. New Referrals for Consideration

- a. PL #03-17: (Aiello) To adopt a GASB 54 Fund Balance Policy for Manual Journal Vouchers.

Mr. Saradin provided a handout of the proposed policy to the Council. He stated that the purpose of the policy is to ensure that a healthy amount of reserve fund is maintained, and used for appropriate purposes. Alderman Gonzalez stated that he feels that this policy could be beneficial. He feels that there should be controls to prevent using the fund balance for “grocery” items.

Alderman Andreano questioned if we can use the fund balance to lower taxes, to which Mr. Saradin responded that we can. We are able to use profits that the City sees to lower the burden on taxpayers. We are able to transfer funds from the water fund for this as well, but monies from the sewer fund cannot be used.

Alderman Crawford questioned how much the fund fluctuates during the year. Mr. Saradin responded that there is usually a large increase in May and June when property taxes are

received, and it dwindles down through the year due to expenditures until we get to the amount we have on the books on May 31<sup>st</sup>.

Alderman Smith questioned if this policy has parameters for what amount we need to have in the fund balance, or if it only requires that we have a percentage (but not state the required percentage in the policy itself). Mr. Saradin stated that there are no parameters in the policy itself in terms of requirements for monies carried in the general fund. He stated that the Comptroller's office does not have a recommended amount of what should be in the general fund. He does believe that the Council should determine a percentage that should be held in the fund balance down the road.

Mayor Aiello stated that we simply wanted to get this item on the agenda for a quick discussion and to get everyone's thought processes going. We are in no rush to pass a resolution to adopt this policy.

Alderman Gonzalez questioned what amount the Mayor and Mr. Saradin feel we should have in the fund balance. Mayor Aiello stated that we are at 15%, or roughly 3 months of regular operating expenses for the City. This is a general unwritten rule. We may want to go less, but we don't want to hold any additional monies in the fund balance. He recommends that we await until after the budget is passed and we begin the next fiscal year to determine the fund balance amount the Council feels comfortable with.

Mr. Saradin reminded the Council that monies from the fund balance have been used for the North Union Street project, the East State Street project, Bradner Stadium, and various items in last year's budget equaling a \$602,000 contribution from the fund balance.

A motion to postpone PL #03-17 to the next Finance committee meeting was made by Alderman Dougherty, seconded by Alderman George. Voice vote, ayes all. Motion carried.

#### 5. Approval of Committee Reports

None

#### 6. Adjournment

A motion to adjourn was made by Alderman Dougherty, seconded by Alderman Crawford. Voice vote, ayes all. Motion carried. Meeting adjourned at approximately 5:45 p.m.