

FINANCE

Wednesday, March 22, 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; Al Utecht, City Clerk; Nicholas DiCerbo, Jr., City Attorney; Fred Saradin, City Auditor; Mary George, Community Development Program Coordinator; Tom Windus, Director of Public Works; Gregg Piechota, City Assessor; John Anastasia, Youth & Recreation Director; Bob Bell, Fire Chief; Jeff Rowley, Police Chief; Jason Wells, IT Department; Ed Jennings, Code Enforcement Supervisor; Michiko McElfresh, Mayor's Secretary, 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 are present.

2. Approval of Minutes of the Previous Committee Meetings (Tuesday, March 7, 2017 and Wednesday, March 8, 2017)

A motion to approve the minutes of the March 7, 2017 and March 8, 2017 meetings was made by Alderman Gonzalez, seconded by Alderman Crawford. Voice vote, ayes all. Motion carried.

3. Unfinished Business

a. PL #15-17: (Aiello) Budget 2017-2018.

Mayor Aiello stated that, at the Council's request, he found \$600,000 in cuts in the proposed 2017-2018 budget. He has worked with the department heads to come up with cuts, and he presented the Council with a handout detailing the following cuts:

Budget	Budget	Possible
2016-2017	2017-2018	Cuts
		3/22/2017

1010 Legislative Board	\$ 65,240	\$ 65,250	\$ (13,700)	Contracted Services (500), Travel (1,500), Council Clerk (11,700)
1355 Assessments	\$ 106,570	\$ 106,570	\$ (22,000)	Abolishes Assessor's Aide Position. Increase Assessor's salary \$6/hour-- work week to 40 hrs. per week. Vacations, lunch, sick days the office will not be covered.
1410 Clerk	\$ 173,520	\$ 173,730	\$ (500)	Reduces Office Supplies
1420 Law	\$ 92,230	\$ 92,230	\$ (32,300)	Reduces City Attorney to 10 hours(22,000) and Legal Assistant to 10 hours per week (11,700), Books and Manuals (100), Recording fees (1,000). Increases Misc. Contract Fees 2,500.
1620 Buildings	\$ 408,450	\$ 234,700	\$ (10,000)	Less Work On City Building
1680 Information Technology	\$ 270,635	\$ 269,335		(Mayor Aiello mentioned potentially cutting additional funding by reducing one of the positions to part time)
1690 Central Electric Services	\$ 90,550	\$ 97,450	\$ (10,000)	Less Traffic Signal Improvements
3120 Police Department	\$2,490,318	\$2,346,712	\$ (20,370)	Eliminate Crossing Guards (14,000) and Reduce Bingo Inspector (750); Communication Equipment (500); Radar Unit (2,316); Mobile Data Computer (1,604), Docking Station (700)--All necessary components to Police Cars. Repairs to Equipment (500)
3320 On Street Parking	\$ 13,310	\$ 2,200	\$ (500)	Reduces Parking Meter Attendant Wages
3410 Fire Department	\$2,815,825	\$2,753,670	\$(155,000)	Three Fire fighter positions not filled. Fire Foam replacement program would be phased in over a four year period. Foam Firefighting abilities would be reduced to a front line engine for the first year.
3510 Control of Animals	\$ 60,000	\$ 60,000	\$ (30,000)	Animal Control Services reduced – would cause loss of stray dog and cat services
3650 Demolition of Unsafe Buildings	\$ 148,000	\$ 50,000	\$ (25,000)	Go to council for additional funding on an as need basis

4540 Ambulance	\$ 24,900	\$ 24,500	\$ (24,500)	Move to an established fund with generated revenue from Ambulance Billing
5110 Maintenance of Streets	\$ 785,100	\$ 808,120	\$ (22,800)	No Summer help (4 positions, 40 hours / week). Less hot patch blacktopping
5111 Tree Program	\$ 91,640	\$ 95,000	\$ (60,000)	City will no longer trim or remove subway trees. Burden will fall to property owner
5182 Street Lighting	\$ 315,000	\$ 310,000	\$ (40,000)	Planned replacement of lighting on Gemini Drive will not occur
5610 Airport	\$ 299,050	\$ 346,600	\$ (40,000)	Recognized Savings due to purchasing new tanks (20,000) Will not sell fuel if run out of line item allocation (20,000). Will go to Council to draw from Contingency
5650 Off Street Parking	\$ 35,790	\$ 23,625	\$ (500)	Reduction in electricity costs
7110 Parks	\$ 348,750	\$ 314,550	\$ (42,800)	No Summer help (4 positions, 40 hours/ week). Limited Parks Maintenance and possible shut down of Gargoyle Park. (22,800) Will not fix pavilion in Forness Park (20,000)
7140 Youth & Recreation Services	\$ 277,990	\$ 232,740	\$ (11,000)	Lifeguards (10,000); Rec. Equipment (\$1,000) – this includes scrapping the plan to use the YMCA or OCSD pool for a portion of the summer
7150 Recreation Maintenance	\$ 228,378	\$ 204,400	\$ (11,000)	Reduce Chlorine line item .412 (7,000); Repairs to equipment (2,000); Building Repairs (2,000)
7310 Youth Bureau	\$ 89,198	\$ 90,001	\$ (3,000)	Eliminate Youth Bureau Mini-grant Programs Line item .467 (3,000).
7520 Historical Property - Bartlett House	\$ 48,228	\$ 49,228	\$ (20,000)	No City Historian
7620 Adult Recreation / John Ash Community Center	\$ 72,987	\$ 77,785	\$ (3,000)	Reduces Program by \$3,000
8660 Community Development	\$ 175,479	\$ 149,279	\$ (3,500)	Overtime (2,000), Traveling Training (1,500)
Total Possible Reductions			<u>\$(601,470)</u>	

During the presentation, Alderman Gonzalez questioned the crossing guard cuts, and if these were the crossing guards at schools. Mayor Aiello stated that they are, and that we would eliminate staff and eliminate the program. Mr. DiCerbo stated that the school cannot run the program, as by law the crossing guards have to be members of the police department.

Mr. Windus stated that not hiring summer help will reduce the amount of work that can be done over the summer. It would mean that we would only have the manpower to open and take care of restrooms at Bradner's, and we would keep the other park bathrooms closed during the summer. Also, it is a possibility that we would not be able to open Gargoyle Park, as we would not have enough manpower to take care of the necessary mowing and maintenance at the park.

Mayor Aiello stated that if the City cuts the tree program funding, the burden on trimming and removing trees will fall on the property owner. Alderman Dougherty questioned if this will place liability issues on the City. Mr. Windus replied that because we have funded the tree program and because we have dabbled in tree pruning and removal, we are currently liable. However, the Code states that the trees in the subway are the homeowner's responsibility, so if we no longer fund the program, the liability would return to the property owner. It would also reduce the City's insurance rates. Alderman Smith questioned when this started, and Mr. Windus stated that this has been in the Code as long as he can remember.

After reviewing the proposed cuts, the Council discussed with the Mayor any questions and concerns that they had.

Alderman Smith asked how many hours the Assessors Aide previously worked, to which Mr. Piechota replied 40. Alderman Smith asked if he could do without the Aide in his office, and Mr. Piechota replied that it will be difficult, but he can. Alderman Andreano asked if the Aide is trained and knows the specifics of the office. Mr. Piechota replied that he does, but today was his Aide's last day, so if we are to change or cut the position now would be the best time to do it. Alderman Smith asked if a new Aide would be hired if the budget was not cut, and Mr. Piechota replied that he would hire a new full time Assessors Aide if the budget wasn't cut.

Alderman Crawford stated that he sees a lot of extremes on this list. He understands that \$600,000 calls for extremes, but some of these cuts are not what he had in mind. He continued in stating that he thought that the cuts would be more along the line of current spending projections versus the proposed budget. He thinks that by looking at the budget this way, that there is quite a bit of room for cuts. Mr. Utecht commented, that's assuming that the budget is spent proportional throughout the year, but maybe the Aldermen can come up with a way to find \$600,000 that the Department Heads couldn't find.

Alderman Gonzalez thanked the Department Heads for doing this for us. He stated that there are cuts here that he knows he can live with, but there are also cuts that he cannot live with. He can say that he does not want to be on a Council that cuts crossing guards at the schools.

Chief Rowley stated that he is more than happy to sit down and talk with the Aldermen. He understands that the safety and security of the City is the number one priority. However, no one knows how to set up the Police Department better than him. That's what he is paid for. Alderman Andreano stated that it is the Aldermen's job to be fiscally responsible. A part of that is to ask the hard questions. She doesn't want to see any of these cuts, and the current Council didn't create this nightmare. We are stuck with it though, and we need to start fixing the problem.

Alderman Dougherty stated that he is worried about the longevity of the City. It seems that, if we continue on the path that we are on, we are heading for bankruptcy. He does not want to continue down that road. We need to make cuts now, reevaluate next year, and go from there.

Alderman Witte stated that she feels there are items in the budget that aren't on this list that we can cut, such as the Celebrations budget and Travel and Training. She feels that having someone at the Bartlett House (the City Historian) is nice, and wonders if we can cut hours and pay, rather than the entire position. She would like to see a financial appropriations report each month that shows what is remaining in each line item. She also does not want to see crossing guards cut.

Alderman George stated that he knows that this isn't easy for the Department Heads, and he has a high level of respect for them. He does not want them to feel disrespected by the Council for asking for these cuts. He doesn't want to see any of the proposed cuts. He needs time to digest this information.

Alderman Gonzalez asked what the effect is of cutting positions. Mayor Aiello stated that five full time positions are affected (one to part time, four cut altogether). Alderman Andreano asked if there are contractual issues, and Alderman Gonzalez asked if the three firefighter positions are simply not being filled. Mayor Aiello stated that it is possible to not fill the positions, due to the results of a recent contract negotiation. Alderman Dougherty asked if this would cost the City increased unemployment, and Mayor Aiello replied that if an eliminated person is entitled to unemployment, that they will get it. Alderman Witte questioned if there will be a spike in overtime in the Fire Department, and Mayor Aiello stated that the elimination of one of the three positions may cause issues

with overtime, but the other two shouldn't. Alderman Smith asked if we will still be able to meet minimum manning requirements, and Mayor Aiello stated that we will.

Alderman Gonzalez stated that he is concerned that if we eliminate the Assessor's Aide, that there will be an increase in responsibility and work on the Assessor. If we cut the City Attorney to quarter time, there will be more work thrown on to the now part time Council Clerk / Legal Assistant.

Mr. Piechota responded that it takes at least two years to train someone when they start, and this puts a burden on him. If we hire someone part time, they will come to get trained, and then leave for a full time position elsewhere. The position would serve as a springboard and we wouldn't be able to keep a long term part time person. The work to train someone new every couple or few years would be no more than the increase in work not having an Aide.

Alderman Crawford stated that taking \$600,000 in cuts from the budget is not just a concern of ours, but also of the New York State Comptroller. They project deficit financing in the next three to five years if things do not change. Some things on this list he agrees with, but some things just don't make sense. We have a vast overrun of expenditures. Cash flow problems lead us to the same problem in 2007, and we don't want to go there. Alderman Andreano added that she does not want the City, in five to ten years down the road, to go bankrupt because the Council now did not stop the trend.

Mayor Aiello asked how many people on the Council came and sat down with him to talk about the budget. Aldermen Gonzalez and Witte did, but no one else did. Alderman Andreano asked if that would make a difference in the \$600,000, and Mayor Aiello responded that he was looking for the Council's ideas. Every Department Head is at this meeting tonight because of their concerns. He does not feel that the lines of communication have been open.

Alderman Smith stated, let's say we compromise, or cut the \$600,000. Then what do we do year to year? Alderman Gonzalez stated that he does not feel that it is an implied certainty that we will continue to lose revenue year to year. We can look at trends, but we just don't know. Mayor Aiello stated that a revitalization of Olean is taking place, and we hope to see increased revenue over time.

He continued in stating that we need to determine, at some point, a number that we would like to see in the Fund Balance. Then we can take the amount over and above and scrutinize how we will spend that. He has had five meetings with Department Heads over

this, and it makes the Department Heads sick that we are in this position and need to make cuts. He gets it, the Department Heads get it.

Alderman Gonzalez stated that sure, we used \$600,000 last year from surplus, but that was on Capital Projects. This year, though, it is not on Capital Projects – it is to close a budget gap. It might not always be like this, though.

Mayor Aiello stated that we are on track to increasing our assessed value. Alderman Andreano questioned how we would do this, and Mr. Piechota stated that a solar project adds about \$10 million in value. Mayor Aiello stated that we expect to see \$90,000 in net metering credits as well that are not calculated into the budget.

Alderman Gonzalez questioned, when someone leaves a position, whether it be to retire or what not, is the position evaluated to see if we need it or if we can make cost-effective changes. Mayor Aiello stated that every time there is a new vacancy, it is discussed with the Department Heads to determine the need.

Alderman Witte questioned if we could use the Contingency leftover from this year to fund some of the budget, rather than purchase vehicles with it. Alderman Gonzalez stated that he feels that we should keep it straight.

Alderman Smith questioned what the City Forester would do if we cut the tree program. Mayor Aiello stated that she would evaluate the trees in the City, and Mr. Windus added that it would work like the current sidewalk program. If she were to determine that there is an issue with a tree, a letter would be sent to the homeowner to remedy the situation. Alderman Smith questioned if there is an amount in the budget for trees on City property, and Mr. Saradin stated that there is still \$15,000 in emergency cleanup for this purpose.

Alderman George questioned the changes to the Fire Department foam replacement. Chief Bell stated that the original budget would have replaced foam on all of the trucks, but he has amended it to spread the cost and replacement over four years.

Alderman Gonzalez questioned the savings to summer help in DPW, and Mr. Windus replied that we would cut the eight positions (temporary full time) and would save roughly \$46,000.

Alderman Gonzalez questioned what temporary savings we are seeing, that will have to be put back into the budget for next year. Mr. Anastasia stated that there are cuts of \$7,000 in chlorine and \$10,000 in lifeguards that will have to be put back in when the War Vets pool is reopened.

Alderman Andreano asked if there is a way to use monies left at the end of this year, plus contingency funds, so that we don't have to cut the \$600,000. Alderman Crawford stated that he would like to sit down with the Mayor and Fred to discuss the estimated \$250,000 left over, and to give them his thoughts.

Alderman Gonzalez stated that he wants to see the most minimal impact on quality of life. He feels that we shouldn't cut summer help, but may be sit on the open Fire Department positions to see how things work out. Mayor Aiello stated that we can always transfer funds from Contingency or the Fund Balance if we decide we do indeed need to hire these positions. Alderman Gonzalez stated that we can cross that bridge when we get there.

Mr. Windus stated that there are different ways in different departments to spend money. In his department, he is reactive. He saves money until the end of the year in case of emergencies. He stated that he has a lot of unspent funds in utility openings because when the weather breaks, he will have a lot of fixing to do for utilities that were opened during the winter. Those are big amounts. Utilities and staff costs are easier to project out. When he gave his budget presentation, he included seven years worth of data. If the Council looks over that, they will see that his requested amounts are pretty spot on. You can look at the historical, but you also need to know what we have done over the past several years. The department heads have that knowledge.

He continued in stating that the best way to move forward is to create a capital plan. Also, some of the Council's comments did not help matters. We need to have an open discussion, and respectful dialog is key.

Alderman Andreano questioned the cost of the North Clark and Seneca line breaks, and Mr. Windus stated that depending on the time of day, location, and time of year, water line breaks can cost upwards of \$10,000. He stated that this is the reality that we deal with. In 2005-2006, we sat down with 24 different budgets. We need to be respectful of everyone. All divisions are important. When push comes to shove, we need to move down the road.

Alderman Gonzalez stated that he believes that the Council can agree that certain cuts are sensible, but some are not. Looking at year to date amounts and projected amounts really depends on year to year what is happening. So for us to try to budget based on that and hope for the best, it is more of just a temporary fix.

Alderman Crawford stated that possibly revenue can offset some of the cuts, and Mayor Aiello stated that he has asked Department Heads to bring to him a proposed increase in fees to increase revenue. He will review this and forward the ideas to the Council next week.

Mayor Aiello stated that the Council needs to digest what has been presented. His door is open, and they are more than welcome to come discuss the cuts with him. This budget needs to be a team effort. The Council agreed to get their thoughts to Mayor Aiello by Monday.

Alderman Gonzalez stated that, if Department Heads felt disrespected or if they felt that the Council's conduct was disrespectful or inappropriate, the Council never meant to make them feel that way, and he apologizes. He reminds them that it is the Council's job to criticize the budget.

A motion to enter into executive session to discuss personnel matters was made by Alderman Gonzalez, seconded by Alderman Dougherty. Voice vote, ayes all. Motion carried. Executive session entered at approximately 6:55 p.m.

A motion to adjourn from executive session was made by Alderman Witte, seconded by Alderman Gonzalez. Voice vote, ayes all. Motion carried. Executive session adjourned at approximately 7:00 p.m.

Alderman Smith questioned if it was a farfetched idea to reduce from two to one fire station. He stated that he is not proposing a reduction in staffing, just an elimination of one building. Mayor Aiello stated that this has been discussed because of the age of Station 1. However, Central Fire cannot hold all of the equipment. There are questions regarding reducing equipment, and whether or not there is enough room for staff.

Alderman Dougherty stated that, after the budget is complete, that we need to do a five year capital plan.

Alderman Gonzalez reminded the Council that Mayor Aiello needs their feedback as soon as they can give it to him. Mayor Aiello added that he knows that the discussion on fees will be touchy. Right now, we do not charge for a roofing permit. Also, parking fines

are very nominal. Little things can add up over the long term. Alderman Andreano questioned if proposed fee changes would take effect to offset budget issues, and Mayor Aiello stated that they could be. Alderman Andreano asked if an increase in fees could get them \$300,000-\$350,000 more per year, and Mayor Aiello replied that this would require astronomical fees. However, we do need to look at them and think long term.

Alderman Witte stated that, any time fees are increased, residents feel that it is a personal attack. However, when you compare our fees to other municipalities, ours are exceptionally low.

Item postponed to Monday, March 27, 2017 for further discussion.

4. New Referrals for Consideration

None

5. Approval of Committee Reports

None

6. Adjournment

A motion to adjourn was made by Alderman Witte, seconded by Alderman George. Voice vote, ayes all. Motion carried. Meeting adjourned at approximately 7:15 p.m.