

FINANCE

Tuesday, March 20, 2018 – 7:35 p.m.

Police Training Room – Olean Municipal Building

Present: Members: Chairman Witte, Vice Chairman Crawford, Alderman Andreano, Alderman Gonzalez, Alderman Dougherty, Alderman Smith, and Alderman George. Others: Mayor William Aiello; Fred Saradin, City Auditor; Bob Ring, Director of Public Works, and Tiffany Taylor, Managerial Confidential Administrative Secretary.

1. Roll Call

Alderman Witte called the meeting to order at 7:35 p.m. and asked that the record show that all committee members were present.

2. Approval of Minutes of the Previous Committee Meeting (Thursday, March 15, 2018)

A motion to approve the minutes of the March 15, 2018 meeting was made by Alderman Smith, seconded by Alderman George. Voice vote, ayes all. Motion carried.

3. Monthly Financial Review

Alderman Witte asked if the tax payment to the Town of Ischua for the airport is the same as usual, and Mr. Saradin replied that it is. Alderman Witte questioned if the \$22,000 spent from the Capital Fund for Forness Park will be reimbursed, and Mr. Saradin stated that the money will be reimbursed by the County. Alderman Witte asked about the repairs to the Recreation Center roof. Mayor Aiello stated that there was a leak over the lobby area, and the roof was not included as part of the project at the Recreation Center. The repair was needed.

A motion to approve Finance and Bills was made by Alderman George, seconded by Alderman Smith. Voice vote, ayes all. Motion carried.

4. Unfinished Business

None

5. New Referrals for Consideration

- a. PL #27-18: (Crawford) To authorize the transfer of \$50,000 from General Fund Balance to Capital Fund #150, Sidewalk Replacement, for the purpose of a Revolving Loan Fund for sidewalk replacement upon Order to Remedy from the City of Olean.

Alderman Crawford stated that sidewalks are an area in the City to consider when we are trying to improve walkability, aesthetics, and public safety. He wants to come up with a manner to fix sidewalks. He stated that this is an opportunity for the City to allow residents to borrow funds for sidewalk repair and replacement. He is unsure if \$50,000 is enough.

Alderman Crawford explained that the amount would be repayable over three years, and would be offered only when a resident receives a notice or Order to Remedy to repair or replace a sidewalk from the City. Right now, if a resident receives an Order to Remedy and does not do the work, the City does the work (along with paying prevailing wage) and levees the bill onto the resident's property taxes. This is a big hit on residents.

Alderman Gonzalez stated that he likes where this is going. He is wondering if we should have some sort of requirement for a financial hardship, or proof of need. Alderman George added that this could be similar to the Olean Homeownership Assistance Program.

Alderman Witte asked about the cost of replacing sidewalk. Mr. Ring replied that it is about \$250 for a 4x4 square. Alderman Smith asked if it is cheaper for the City to do the work or for a resident to hire a contractor. Mr. Ring stated that if a load of concrete comes to do a sizeable piece, then it is cheaper for the homeowner to pay to have it done because of prevailing wage.

Alderman Crawford stated that he thinks that this is a good idea. Alderman Andreano stated that we need to do something about sidewalks, because they are in poor shape in many places.

Alderman Gonzalez stated that we would be taking the \$50,000 out of the \$2,500,000 fund balance. Alderman Crawford questioned if this sounds amicable to everyone.

Alderman Andreano stated that she likes the idea of needing to prove a hardship, versus having income requirements. Alderman Crawford stated that when a resident gets the Order to Remedy, they will be notified that they can do the work, or a contractor for the City can do the work if they don't complete it within a certain amount of time. The City can offer funding if the resident is qualified.

Alderman Crawford asked if we want to only use certified and insured vendors, and Mr. Ring stated that he really isn't concerned about this, as long as the sidewalk is fixed. A resident can do the work themselves if they so choose.

Alderman Witte asked if this will be an annually budgeted amount, or if this is a one time transfer. Alderman Crawford stated that the Council will have to see how the program works down the road. Mr. DiCerbo asked how many sidewalks were fixed last year, and Mr. Ring stated probably a dozen with an average cost of \$500 to \$750. He stated that the same people

always complain, and the Orders to Remedy are sent out on a complaint basis. He feels that not a lot of people utilize the sidewalk program.

Alderman Crawford mentioned that there was a study done years ago, that showed that there are miles of bad sidewalk in the City.

Alderman Smith asked how creditworthiness would be determined, and Mayor Aiello replied that there would have to be an application process. Alderman Smith questioned what office would do this. Alderman Gonzalez stated that the Council does not necessarily need to determine the mechanics of the program and how it will work at this time. The Council is only determining if the funding will be allocated or not.

A motion to approve PL #27-18 was made by Alderman Crawford, seconded by Alderman Dougherty. Voice vote, ayes all. Motion carried. Referred to Regular Meeting Tuesday, March 27, 2018 for Resolution.

- b. PL #28-18: (Aiello) To authorize the City Auditor to bond for the Olean Farmers' Market Project.

Alderman Witte questioned if the City has even approved this project. She feels that we should approve the project prior to funding the project. This is a beautiful project, but she feels that we have enough funding from other sources and should not have to pay any money from the City for the project to be completed. She also does not feel that the fence should be there, as not a single park in the City has a fence.

Mayor Aiello stated that, in order to receive ESD funding, the City needs to pay \$220,000 or their portion of \$225,000 decreases significantly. Alderman Witte stated that the County funded \$200,000, and Senator Young's office is funding \$600,000. We are talking about wants versus needs, and she feels this is a want.

Mayor Aiello asked if she is saying that she does not want to do the project. Alderman Witte replied that we just need to think before moving forward. We are continuing to bond, and she does not feel that this is a wise thing for the City to do. She does like the project, but it keeps ballooning and growing.

Alderman Witte stated that she has concerns with comments that the fence will keep kids safe. Alderman Gonzalez stated that he thought that the fence was for flow and aesthetic issues. Mayor Aiello stated that the idea was to make the aesthetics look nice, and similar to what the Governor's mansion used to look like. Alderman Witte stated that no one is going to leave their children in the "play area" to go through the market.

Alderman Gonzalez stated that this discussion is not about design, but rather about how we are going to pay for the project. Alderman Witte stated that she is maxed out on bonding. She thinks that we should hold out until we approve the project. Alderman Dougherty stated that when we had the meeting with Municipal Solutions to discuss funding options. The idea was to do the three BAN resolutions (PL #28-18, #29-18, and #30-18) together in order to save on the costs and fees associated with obtaining the financing.

Alderman Gonzalez asked when the design is to be approved. He did not think that we are still on the fence about this. Mayor Aiello stated that he believes that the next step is to go out to bid and then approve the project when the contractor is approved.

Alderman Crawford asked why we don't have three different bonds in order to keep filing fees down, as they are lower for a bond below \$1,000,000. Mayor Aiello reminded the Council that we need to front the money for the entire projects and after reimbursement is received, convert the BANs to bonds.

Alderman Gonzalez stated that the thought that although we have been told that we can "bundle" these together, that they will end up being different because of different usable lives of the projects. Mr. Saradin stated that payments vary year to year for this reason. This complication is all figured out into the amortization schedule.

Alderman Smith asked how we can bond if we do not know the final amount of the project. Alderman Witte stated that she feels that we should hold out on this one. Mr. Ring stated that when there is a preliminary estimate, the higher amount is bonded for. If the project comes in under budget, the additional funding simply goes back into debt service as a payment on the bond. There will also be a base bid plus options when the bids come in to determine what way the City wants to proceed, as well as how much we want to spend in total.

Mr. Saradin stated that this is an initial step and details come later. Alderman Gonzalez stated that we have three projects in front of us with three options: bond, pay cash, or don't do the project. He does not support not doing the projects, and paying cash he feels is not in the best interests of the City. Where does this leave us?

Mayor Aiello stated that every Empire State Development grant is 80/20. They give us 20% back when we pay 80% of the project. If what we pay comes in lower, their amount is lowered. Basically, they penalize the City for having a project come in under budget. This, unfortunately, occurred with the Third Street project.

Alderman Smith questioned the estimated cost of the Farmers' Market after reimbursement, to which Alderman Gonzalez responded \$220,000. Alderman Crawford added that this is plus interest on the BAN and bond.

Alderman Smith stated that we still need to vote on the design and contractor. Alderman Witte asked why we are financing the project before we accept the design. Alderman Gonzalez responded that it is to save money on the issuance costs associated with the financing.

A motion to approve PL #28-18 was made by Alderman Crawford, seconded by Alderman Dougherty. Voice vote, ayes all. Motion carried. Referred to Regular Meeting Tuesday, March 27, 2018 for Resolution.

- c. PL #29-18: (Aiello) To authorize the City Auditor to bond for the Olean Creek Bicycle and Pedestrian Crossing Project.

A motion to approve PL #29-18 was made by Alderman Witte, seconded by Alderman Smith. Voice vote, ayes all. Motion carried. Referred to Regular Meeting Tuesday, March 27, 2018 for Resolution.

- d. PL #30-18: (Aiello) To authorize the City Auditor to bond for the Walkable Olean Phase II and BOA Downtown Redevelopment Project.

A motion to approve PL #30-18 was made by Alderman Gonzalez, seconded by Alderman Crawford. Voice vote, ayes all. Motion carried. Referred to Regular Meeting Tuesday, March 27, 2018 for Resolution.

- e. Discussion – Capital Projects

Discussion postponed until Tuesday, March 21, 2018.

- f. Discussion – Transfer \$350 to Capital Fund #185 for Additional Tree Pruning

Alderman Smith stated that a tree located in his ward at 130 North 17th Street did not make the list of trees to be pruned or cut down as presented recently to the Council. The resident has worried about this tree for a long time, and both he and the City Forester have had a lot of discussions with the homeowner. He is no arborist, but this tree is in bad shape. According to the chart presented last week, \$350 is the worst case scenario cost for pruning. The homeowner is exasperated, and he is exasperated.

Alderman Crawford stated that he is nervous about opening Pandora's Box. The list that the Council was provided was based on what the City Forester feels is the worst of the worst. People could call left and right wanting their trees taken down. Alderman Smith stated that he has a valid point.

Alderman Andreano stated that she shares in Alderman Smith's frustration. She has three or four people in her ward who say that the City Forester told them that their tree needs to come down and that the City will take it down, but their trees did not make the list.

Alderman Gonzalez asked why the homeowner doesn't pay to have the tree removed.

Alderman Smith replied that they were complaining about the tree when the City was pruning and removing trees, so they feel that since the City supposedly told them they would take it down, that the City should pay to take it down. There is a lot of he said, she said. This is the only person in his ward that has approached him with this issue continually.

Alderman Gonzalez stated that he is concerned that if we do this, we are enabling residents to think that if they complain long enough, the City will do it and pay for it.

Alderman Crawford stated that an alternative way to look at it is that in the budget process, some tree funding was put back. The City Forester should be fielding complaints and evaluating trees such as this to come up with a new list to take down as finances allow.

Alderman Witte asked if the stumps will be coming out where the trees were recently removed. Mr. Ring stated that the contractor will come back out to remove the stumps, as it was part of the bid.

6. Approval of Committee Reports

A motion to approve committee reports was made by Alderman Crawford, seconded by Alderman Witte. Voice vote, ayes all. Motion carried.

7. Adjournment

A motion to adjourn was made by Alderman Andreano, seconded by Alderman Smith. Voice vote, ayes all. Motion carried. Meeting adjourned at approximately 8:20 p.m.