

## FINANCE

Tuesday, April 3, 2018 – 5:30 p.m.

Police Training Room – Olean Municipal Building

Present: Members: Chairman Witte, Vice Chairman Crawford, Alderman Gonzalez, Alderman Dougherty, and Alderman George. Others: Mayor William Aiello; Fred Saradin, City Auditor; Sue Cooper, City Forester; Jeff Rowley, Police Chief; Jeremy Meerdink, Senior Wastewater Treatment Plant Operator; Mike Manning, O'Brien & Gere, and Tiffany Taylor, Managerial Confidential Administrative Secretary.

### 1. Roll Call

Alderman Witte called the meeting to order at 5:30 p.m. and asked that the record show that all committee members were present except Alderman Andreano and Alderman Smith, who were excused.

### 2. Discussion – Wastewater Treatment Plant Project

Alderman Crawford stated that we will line up a tour of the wastewater treatment plant when weather improves.

Mr. Manning stated that the project is coming along nicely, and is going on about two and a half years. Last year, he approached the Council for approval to use project contingency to replace a digester cover. He stated that the plant crew has identified more work that they would like to do around the plant before the completion of the project.

Mr. Manning presented a list of proposed additional work to the committee. He explained that the concrete work is for necessary repairs in the primary structure. Hydrogen sulfide chews away at the concrete. There is also piping that needs to be replaced. Since the General Contractor on the project did not provide a good pricing estimate, the contract for piping, if it is chosen to be completed, would be given to Mazza. There are other various upgrades such as control updates and valve work. The service building needs to be cleaned and painted, and handrails are very much recommended for digesters 1, 2, and 3.

Mr. Manning explained that, when all of the additional work is added up, \$271,000 is the cost. There is about \$100,000 left in encumbered projects, which leaves a cost of \$171,000 to be funded from contingency. He stated that there is also an engineering amendment for \$85,000, which includes \$21,000 to purchase new software for the plant to optimize operations. Since the project is ahead of MWBE requirements, it makes sense for O'Brien & Gere to carry the money to move through to utilization.

Mr. Manning stated that there is \$677,552.28 left in contingency for the project. Anything that is remaining in contingency at the end of the project will be used to pay down debt service. Mr. Saradin added that this means that we are under budget. Mr. Manning stated that he feels that we have addressed just about everything at the plant.

Alderman George asked if the additional work is required from an inspection and compliance standpoint, or if it is just recommended. Mr. Manning replied that the plant is running very well and is in compliance. There are some items on the list, however, that could be seen as ticking time bombs. If we have the money now, let's get this done before we run into issues down the road. He mentioned that all of the items mentioned fit into the project and are approved and reimbursable by the EFC. There are also a few safety items that are just the right thing to do. When all is said and done, he anticipates about \$435,000 in project contingency going back into the debt service.

Alderman Crawford stated that right now, through the difficult budget process, we are focusing on needs rather than wants. He stated that some of these items really make sense, but wonders if others, such as painting, could be done in house to save money. Mr. Manning replied that he had received three quotes for the cleaning and painting work, and it appears that Mazza would carry the contract. They are responsible for compliance with all of EFC's contracting requirements. The City Electrician and his crew will be moving into the building, and we would like to get the rooms ready for them this spring.

Alderman Witte questioned how much the bond payment for the wastewater treatment plant is, and Mr. Saradin replied that it is approximately \$500,000, plus interest. If there is \$435,000 left in contingency, it will pay 90% of the payment due next year.

Alderman Gonzalez asked where we go from here. Mr. Manning stated that he is asking for permission to use up to \$225,000 from the project's contingency for the additional work and engineering amendments. Through change orders with contractors, the money will then be spent. Alderman Gonzalez stated that he is alright with moving forward. If we are going to do the project, we should do the entire project. Mayor Aiello stated that we have an opportunity with the funding and the contractors that are at the plant, so we should do what we can now with what we have.

Alderman Witte questioned when the electricians will be moving to the building, and Mayor Aiello stated that they will begin moving when the area is ready. They will be doing their normal work in addition to moving, so he anticipates that it will take the summer.

A PL and Resolution will be introduced at the next regular meeting to authorize the use of project contingency.

### 3. Budget Discussion Continuation

Alderman Witte stated that the Council has received the revised tentative budget from Mr. Saradin and Mayor Aiello. Mayor Aiello stated that it includes all of the changes discussed at the previous meeting, and it has been checked for errors by Mr. Saradin and his secretary, Ms. McElfresh. Mr. Saradin stated that the Council can compare page 40 in the previous draft to the new draft to see where changes are.

Alderman Crawford stated that the Council will take time to review the amended tentative budget, and will reach out with any questions in the next week.

A PL and Resolution will be introduced at the next regular meeting to approve the budget.

### 4. Adjournment

A motion to adjourn was made by Alderman Witte, seconded by Alderman Gonzalez. Voice vote, ayes all. Motion carried. Meeting adjourned at approximately 6:00 p.m.