

FINANCE

Tuesday, March 19, 2019 – 6:15 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; Nicholas DiCerbo, Jr., City Attorney; Fred Saradin, City Auditor; Bob Ring, Director of Public Works; Bob Bell, Fire Chief; Jeff Rowley, Police Chief, and Tiffany Taylor, Managerial Confidential Administrative Secretary.

1. Roll Call

Alderman Witte called the meeting to order at 6:15 p.m. and asked that the record show that all committee members were present.

2. Approval of Minutes of the Previous Committee Meetings (Tuesday, March 5, 2019, Wednesday, March 6, 2019, and Tuesday, March 12, 2019)

A motion to approve the minutes of the previous committee meetings was made by Alderman Witte, seconded by Alderman Crawford. Voice vote, ayes all. Motion carried.

3. Monthly Finance and Bills Review

Alderman Witte explained that everyone should have received the monthly Finance and Bills in their mailboxes.

4. Unfinished Business

None

5. New Referrals for Consideration

a. 2019-2020 Proposed Budget Feedback

Alderman Crawford apologized that he did not get the budget recommendations to the Mayor sooner. He presented a spreadsheet to the committee and explained that the Council tried to take into consideration many things. He explained that, in the Council's response letter, it is explained that the ultimate goal is a 0% tax increase this year. He explained that the 2% increase to property taxes equates to \$154,000 of additional funding for the budget, and there are some items that can be looked at in order to reduce this amount.

He began by explaining that the committee suggests that funding for the airport runway be removed from the budget, as the Council and Mayor need to have a discussion regarding the

sustainability of the airport into the future. He explained that the City does have a vested interest in the airport; however, it forecasts larger and larger losses each year. He feels that if this line is funded, that it should be taken from lumber revenue, not from the General Fund budget.

Alderman Crawford continued that the suggestions to reduce funding for salt and airport fuel were based on the Department of Public Works budget presentation, where it was noted that these lines could possibly be shaved down. He noted that the Council will also like to have further discussions regarding the parking kiosks to determine if it will be profitable venture prior to funding it.

Alderman Crawford explained that the Council fully supports the addition of the Water and Sewer Supervisor, as well as the full-time Recreation Center Manager. He explained that with the addition of the full-time manager position that it should free up some time for the Youth and Recreation Coordinator to do more marketing for the Bartlett House so the Council feels that the marketing position for the Bartlett House should be cut from the budget. He explained that in addition, although the Council is happy to fund the Bartlett House this year, they feel that the stipend for the City Historian is too high and should be reduced by \$2,500.

Alderman Crawford continued that the proposed increase for the City Attorney is between 4 and 5 %, and that unions are only getting a ½ % or 1 % increase, so he feels that this should be removed from the budget as well.

Alderman Crawford explained that funding for traffic signals, a license plate reader, fire radios and fire hose should be removed from the budget and should be paid for out of this year's leftover contingency. He explained that the Council would also like to see the two police cars and police body cameras paid for out of this year's leftover contingency, and he questions if the cost for the forklift can be split between the three funds. If so, this will leave the contingency balance at zero after the proposed items are removed.

Alderman Crawford explained that, in essence, the proposals meet many of the requests and deliverables in the departmental budgets. He explained that the Council would like to show taxpayers that we are trying to keep taxes low in the City.

Mayor Aiello explained that he will be taking these recommendations back to department heads for a discussion.

Alderman Andreano asked if it is possible to split the cost of the forklift between the three funds, and Mayor Aiello explained that it will be a tough sell. Mr. Ring added that it is at the City Garage.

Alderman Witte explained that she is concerned that no money was placed in the budget for a reassessment, and Mr. Saradin noted that the City Assessor suggested that the Council consider setting aside some funding for the reassessment; however, it is not in the budget. Alderman Witte continued that nothing was put into the fund balance to bring it over the 15% as suggested in the fund balance policy, and there is no funding for Fleet Management. She explained that it seems that we basically wait until the end of the year to find funding for vehicle purchases. Alderman Crawford noted that he was not aware that the City had a fleet account, and Alderman Witte explained that vehicles should be budgeted for, not taken out of contingency.

Mr. Saradin explained that the fund balance receives more funding at the end of the budget year when leftover funds from the budget that are not spent roll back into the fund balance. Alderman Crawford explained that the 15% is a moving target based on the budget amount, and that this year the City expects funding to roll over into the fund balance as several line items in the budget are slated to come in under budget. Mr. Saradin noted that the last fiscal year was ended with just under 15% in the fund balance. He noted that after March is over, there will be only two months left in this fiscal year and there will be a better idea as to what funds may roll over.

A motion to enter into executive session to discuss pending litigation was made by Alderman Crawford, seconded by Alderman George. Voice vote, ayes all. Motion carried. Executive session began at approximately 6:30 p.m.

A motion to adjourn from executive session was made by Alderman Dougherty, seconded by Alderman Crawford. Voice vote, ayes all. Motion carried. Executive session adjourned at approximately 6:40 p.m.

Mr. Saradin explained that four or five years ago, when Mr. Windus was the Director of Public Works, he was notified that the Sidewalk Capital Fund was in the negative over \$45,000 and that he shouldn't be spending any more money from that account. However, he continued to use the account. He explained that around \$100,000 was spent, and that over the years some money has been put back into the account (received from various sources).

Alderman Andreano asked why the Council was not notified that the account was in the negative when money was placed in it. Mr. Saradin replied that the BWB Audit Report shows that the Capital Fund was in the negative. Alderman Witte clarified that the \$50,000 transferred by the Council brought the balance to roughly \$29,000.

Alderman Crawford explained that he does not feel comfortable with this. Mr. Saradin responded that he is not sure what the City can do. Mayor Aiello explained that this falls on his shoulders, but that this is the first time hearing about this and that he is steaming.

Alderman Witte asked if the Council could go back to 2015 and follow through to verify what Mr. Saradin is saying, and he confirmed that they could. He explained that he told Mr. Ring not to spend money on sidewalks because of the negative funding in the account, and he hasn't.

Alderman Gonzalez asked why a new Capital Fund was not created with the \$50,000, and Alderman Andreano responded that no one would have known that a new fund would need to be created. Mr. Saradin noted that if the \$50,000 was not placed in the account, it would still need to be made up for elsewhere.

Alderman Crawford explained that the Council should go through all Capital Funds to ensure that something like this does not happen again. Mr. DiCerbo asked if the City really has a contingency or surplus with these negative amounts. Mr. Saradin explained that last year around 15 capital accounts were closed by moving leftover balances in accounts into negative accounts.

Alderman Andreano asked how the City and Council got here, and explained that there has to be a better way.

Alderman Gonzalez explained that he would also like an analysis on the logging funding. Alderman Crawford asked how much is left in that fund, and Mr. Saradin responded that there is no money left in that account. He explained that it was used for matches and to purchase a piece of equipment. Alderman Crawford asked if he could see the transactions that impacted this account, and Mr. Saradin replied that he would get that information for him.

Alderman Dougherty asked if water and sewer reimbursement from the Council for unpaid water and sewer bills goes into the respective funds, and Mr. Saradin replied that it does.

Mayor Aiello noted that he has been in discussion with Mr. Ring and Mr. Saradin regarding funding for the Water Fund, and he would like to meet with the Council at 5:45 p.m. next Tuesday, March 26, 2019 prior to the Committee of the Whole in order to discuss their ideas. Alderman Crawford noted that at 6:15 p.m. that night, a Public Hearing will be held regarding raising the water and sewer rates.

6. Approval of Committee Reports

None

7. Adjournment

A motion to adjourn was made by Alderman Witte, seconded by Alderman George. Voice vote, ayes all. Motion carried.