

FINANCE

Tuesday, January 21, 2020 – 5:30 p.m.

Police Training Room – Olean Municipal Building

Present: Members: Chairman Gonzalez, Vice Chairman Crawford, Alderman Witte, Alderman Panus, Alderman Dougherty, Alderman Smith, and Alderman Anastasia. Others: Mayor William Aiello; Nicholas DiCerbo, Jr., City Attorney; Fred Saradin, City Auditor; Bob Ring, Director of Public Works; Kris Shewairy, Youth and Recreation Director, and Tiffany Taylor, Managerial Confidential Administrative Secretary.

1. Roll Call

Alderman Gonzalez 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 the Minutes of the Previous Committee Meetings (Tuesday, November 19, 2019)

A motion to approve the minutes of the November 19, 2019 meeting was made by Alderman Gonzalez, seconded by Alderman Smith. Voice vote, ayes all. Motion carried.

3. Monthly Finance & Bills Review

Alderman Witte explained that when looking through the bills, she did not find a bill for outside legal counsel. Mr. DiCerbo responded that he should have a year-end statement for the next meeting. He explained that there are also some status updates, so he would like to schedule a status brief at the next committee meeting.

Alderman Crawford asked if it is possible to get a half year budgetary update or report for the next committee meeting so that the Council can see how the City is doing so far this fiscal year. Mr. Saradin responded that he can provide a report for the committee that shows revenues and expenses for the seven month period June 1, 2019 through December 31, 2020. Alderman Crawford asked that the report show any hits or misses that the committee should be aware of, and Alderman Gonzalez added that he would like to see a summary of the balance in each contingency account. Mr. Saradin explained that the committee will be discussing contingency figures later in the meeting; however, water and sewer fund contingencies haven't been touched, and only \$2,612 has been taken from the general fund contingency so far this fiscal year.

Alderman Anastasia noted that there is a charge for "Key Bank" for the purchase of Kendall oil, and Mayor Aiello explained that the purchase was probably made with a credit card. Mr. Ring explained that he believes that the central garage was purchasing the oil to refill their stocks,

and Mayor Aiello noted that it is not on Mr. Donahue's credit card statement for December. He explained that he will look into this and let the Council know why it shows an oil purchase on the finance and bills from "Key Bank".

4. Unfinished Business

None

5. New Referrals for Consideration

a. Discussion – Contingency Transfer for Zamboni Batteries

Mr. Shewairy explained that the ice rink is busier than ever, and that it is a long road ahead to April 5th when the season ends. He explained that the rink needs two machines ready to roll, and one machine is not operable because not enough power is being held in the batteries. He explained that he was aware that there were some issues with the batteries in this machine, but that he was trying to make it through the end of the season before replacing them. He explained that the new batteries that he would like to purchase have a full five year warranty, and he reminded the committee that the City has put very little money in this machine to keep him running. Mr. Shewairy explained that the cost for the new batteries and installation is \$10,448.

Alderman Witte asked if there is a way that this money can come out of Fleet Management, and Mayor Aiello responded that he doesn't think that the City wants to start doing repair work out of the Fleet Management account, as he does not believe that was the intent for the Fleet Management account. He explained that the repair funding at the Recreation Center was used to purchase batteries for the backup unit, so that's why he is coming to the Council with this fund transfer request.

Alderman Witte asked if the funding could be taken from another line item, and Mayor Aiello responded that he has looked at everything and can't figure out where else to take the funding from.

Alderman Witte explained that she hates to take money from contingency when the City does not know what is going to happen with the lawsuit that is out there. She asked why other avenues couldn't be looked at for this.

Alderman Crawford asked if there is a meter to tell what life is left on the batteries of the machine, and Mr. Shewairy explained that the only meters on the machine are to indicate whether or not the battery is fully charged.

Mr. Sherwairy explained that the current batteries do not have the five year warranty. He explained that the backup machine is a 2009 that the City purchased last year, and it is now in service with new batteries, but if that goes down the rink will have to be shut down as there is no other plan B. He explained that the City has \$20,000 in revenues this year from ice groups, and it is important to make sure that they are able to use the ice. He noted that there is an approximate three week lead time from the time that the batteries are ordered to the time that they arrive and the machine is back in service.

Alderman Crawford explained that he does not know if the Council wants to get in the habit of doing this practice, but that if the Recreation Center is doing more favorable business than expected, is it possible to give the funding as a "loan" from the general fund contingency and then put the excess revenue back into contingency towards the end of the fiscal year. He explained that at the end of the fiscal year, the Council likes to use the contingency to do special projects kind of as a savings account. Mr. Saradin responded that the Council can do budget transfers however the Council would like, and that a line item that looks very favorable could be chosen and then the funds could be transferred from that line item into contingency.

Alderman Gonzalez explained that he feels that the Recreation Center is a moneymaker for the City, and people do rely on it for recreation. He explained that the first priority should be getting the Zamboni up and running and then work out later how to arrange all of the financing. Mr. Saradin noted that bills are usually paid within thirty days of being received.

Alderman Witte explained that there is revenue coming in from the ice rink and it's been a busy year, so we can just think of it as the batteries paying for themselves. Alderman Crawford asked how revenues are going for the rink compared to the budget, and Mr. Saradin responded that the City should hit the anticipated revenues, or perhaps surpass that amount. Alderman Crawford asked if it is possible to funnel the excess revenues back into contingency. Mr. Saradin recommended that he look at the line items in the Recreation Maintenance budget to see which he feels will come in comfortably under budget, and make suggestions from there.

Alderman Dougherty explained that he likes the idea of having departments pay for their own expenses from their revenues. He explained though, that the Council shouldn't wait for the "what if's" when it comes to contingency, and that it should be spent on unforeseen expenses like this. That is what the contingency line item is for. Alderman Gonzalez added that contingency is an operating budget for unforeseen expenses.

Alderman Smith asked if the batteries are coming from a manufacturer and if Cubic Storage is just installing them, and Mr. Shewairy explained that Cubic Storage gets the batteries from the supplier, and then installs them for the City. He explained that the City only needs to get the

machine to them and get it back to the ice rink. He noted that the City will haul the machine to them on one of our trailers.

Alderman Crawford asked if a verbal okay is needed, or if a formal resolution is needed. Mayor Aiello explained that a PL and Resolution will be put on the agenda for next Tuesday, and that he would like to get a verbal okay now.

The general consensus of the committee was to approve the ordering of the batteries and transferring of the funding from contingency.

6. Committee Reports

None

7. Adjournment

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