

FINANCE

Tuesday, March 2, 2021 – 5:40 p.m.

via Zoom

Present: Members: Chairman Witte, Vice Chairman Crawford, Alderman Panus, Alderman Gonzalez, Alderman Robinson, and Alderman Anastasia. Others: Mayor William Aiello; Lens Martial, City Clerk; Fred Saradin, City Auditor; Gregg Piechota, City Assessor; Keri Kerper, Community Development Program Coordinator; Kris Shewairy, Youth and Recreation Director; Tim Richardson, Fire Chief; Jerry Volz, Information Technology, and Tiffany Taylor, Managerial Confidential Administrative Secretary.

1. Roll Call

Alderman Witte called the meeting to order at approximately 5:40 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, February 16, 2021)

A motion to approve the minutes of the February 16, 2021 committee meeting was made by Alderman Witte, seconded by Alderman Robinson. Voice vote, ayes all. Motion carried.

3. Unfinished Business

None

4. New Referrals for Consideration

a. Discussion – Fund Transfer for Code of Ordinances Update

Ms. Taylor explained that it has been three years since the City's Code of Ordinances was updated, and the prior update included three years of legislation. She explained that this is not budgeted for and that she is requesting a fund transfer from Contingency in order to do the update. Ms. Taylor explained that the estimated cost of the update is between \$5,105 and \$6,265. She noted that the cost of the last update was around \$7,300, so the cost has gone down. Ms. Taylor explained that the resolution would read that the amount transferred from Contingency would be "not to exceed \$6,265" so that only the amount necessary would be taken from contingency. She explained that the final amount will not be known until the update has been completed.

Alderman Crawford explained that he has no problem with this fund transfer from Contingency if we are using the same methodology that was used previously.

A PL and Resolution will be on the next Regular Meeting agenda for formal approval by the Council.

b. Discussion – Budget 2021-2022

Mayor Aiello explained that he has asked each department to come in and give a rundown of their requests for the next budget. He explained that the Council can ask any questions that they may have, and can also digest the information and ask questions later. He explained that we will be going through most departments tonight and then will go through Police, Fire and DPW tomorrow.

i. Assessor's Office

Mr. Piechota explained that his budget is basically the same as last year with the exception of the Personal Service line item, which has increased due to contractual reasons.

Mayor Aiello explained that \$75,000 was requested in the budget to put towards a future revaluation, but it was removed and placed with some of the other capital item requests for another discussion. Alderman Witte asked when we are due to do a reassessment, and Mr. Piechota responded that he hopes to see one done in the next two or three years. He explained that home sales went up this year which will decrease the equalization rate. He explained that for this reason, it will benefit to do the revaluation in the next two years.

Mayor Aiello asked how much is currently in the account for the revaluation, and Mr. Saradin responded that \$50,000 is in the account. Mr. Piechota explained that the revaluation will cost around \$300,000 to \$400,000, depending on how it is done.

Alderman Crawford explained that we will save this discussion for later, but that it is helpful for a capital spend project like this to hear what the process entails and what the benefit is.

ii. Community Development

Ms. Kerper explained that her budget does not have a lot of changes. She explained that personal service and overtime remain the same, and noted that the planning board salaries and wage rate officer are also under her budget. She explained that there is a \$2,500 increase for consulting to continue with the LISC relating to blight that is falling off. She explained that we have been working with LISC for two years but that it is coming to a close. We may still need to do some legal things, such as appraisals. Ms. Kerper explained that recording fees are for commercial loans and first time homebuyer discharge of mortgages.

Ms. Kerper explained that Programs has increased because projects are coming to a close and we will owe the 1% of the grant amount due, such as for Walkable Olean Phase II. Alderman

Witte asked if there are any new grants out there that she can think of, and Ms. Kerper responded that she is not sure if Restore NY has come out yet, and she is not sure what the governor has done with the budget. She is also not sure if another LISC round will be coming out because people in the community have been affected by COVID.

iii. City Clerk – Information Technology

Mr. Volz explained that in Maintenance Contracts, with the issues that were experienced last year, we are working on improvements to backup and security. He explained that we have also changed the way that we are working with the County because they no longer charge us to access their files a couple times a year for tax bills, so we are using the \$5,000 that we used to pay to access County files to pay for the additional security and backup that we are doing. He explained that he is asking for \$1,000 more than what was in his previous budget for slight increases in maintenance contracts and security.

Mr. Volz explained that computers, office supplies and programming fees have stayed the same, and he is asking for an extra \$1,000 for cyber security training. He explained that he does not know where this will be done yet due to COVID. We may be able to do something with St. Bonaventure. He would like to have a few thousand budgeted for training with all of the technological changes that occur each day.

Alderman Witte asked if the personal service increases are contractual, and Mr. Volz responded that they are.

Alderman Crawford explained that he has seen a lot of articles in municipal magazines regarding storing information in the cloud. He asked if we still maintain servers on site, and what it would look like to go down the road of storing everything in the cloud. Mr. Volz explained that we have actually gone to a few different services that store information in the cloud. He explained that the Fire department has gone completely cloud base. We are trying to move away from internal servers here. He explained that we might be paying more for maintenance contracts, but we have backups and don't have to maintain equipment. He explained that some companies that we have been with for a long time are not 100% cloud base, but we are working on this where we can.

Alderman Witte asked if going to the cloud base storage makes the City more secure. Mr. Volz explained that there are always going to be security concerns everywhere. He explained that they are charging you to house your data, so they pretty much have to do everything they can. They have to put more security measures in place because they have to have more security measures in place. He explained that it will help, as the company storing the data may have deeper encryption than we have here,.

iv. City Clerk

Mr. Martial explained that the 100 line item went down for the Clerk's office because a long time employee has retired. He explained that supplies and materials have increased due to costs increasing, and postage went down because we are no longer sending out County tax bills.

Mayor Aiello explained that the travel and training line is up \$1,000 because Mr. Martial is involved in a series of trainings from the Clerk's Association to better aid him in doing his job. He explained that there are also two relatively new employees in the office and a new Deputy Registrar of Vital Statistics so there is training involved with them, too. Alderman Crawford asked if for travel and training if we are taking the assumption that most will probably be virtual, and Mayor Aiello explained that it seems to be the direction that we are going in. He explained that there will still be a fee involved for the training even if it is virtual. He explained that we do not want to cut ourselves short not knowing what is going to happen.

Mr. Martial explained that overall, the Clerk's Office budget decreased. Alderman Anastasia asked if the Deputy Registrar is still part time, and Mr. Martial explained that she is. Alderman Anastasia asked how that is working out, and Mr. Martial explained that it is working well.

Mr. Martial explained that the only line that changed in the Legislative budget is the 100 line item. Mayor Aiello explained that fifty percent of the Council Clerk's wages are paid by this budget, and the other half are in the Law budget. He explained that this will account for personal service increases in the Law budget as well.

Alderman Witte explained that a couple years ago at NYCOM, it was explained that some of the printing and notices published by municipalities should not have to be done because of website availability to display the information. She asked if this can be done in the City to save money. Mayor Aiello explained that he will discuss this with the City Attorney to find out.

Mr. Martial explained that the only thing that changes in the Vital Statistics budget is that supplies are up \$250, but that this cost was transferred from the Clerk's Office line. He explained that he is just moving money from one department to the next.

Mr. Martial explained that there are really not a lot of changes in the Off Street Parking line. He explained that he has increased money for batteries for meters, as well as repairs to meters if they are needed. He explained that he has also increased the cost of lighting lots by \$1,000. Mr. Martial explained that the On Street Parking line is generally the same, except that money was moved from office to supplies to supplies and materials for batteries for meters on streets.

v. Auditor's Office

Mr. Saradin explained that his office's budget is identical to last year with the exception of the contractual raises in the 100 line item. He explained that the category Special Items includes general property insurance, professional fees for the BWB annual audit, payroll processing and NYCOM dues. He explained that the real only significant change in this tentative budget is that contingency was reduced from \$200,000 to \$100,000 because in the past the Council has used whatever contingency was left in April or May to fund the acquisition of two police cars. He explained that Chief Richardson is no longer requesting the \$75,000 because his budget allows for the leasing of two new police cars. He explained that Aldermen Witte and Panus are familiar with this from discussions in the Fleet Committee.

Mr. Saradin explained that he has received notice from the retirement system that pension costs have increased about 15 percent for CSEA and about 25 percent for Fire and Police, He explained that he has protested to no avail, and has had a conference call with the Comptroller and others. He explained that part of the issue is that when they did the valuation they used the valuation based on the market on March 31, 2020. He explained that the market tanked right about that time, so he suggested that a valuation be used based on March 31st of this year. He does not believe that they will do it. He explained that we will get another estimate down the road but it will be after the budget passes.

Mr. Saradin explained that this is nothing that we will have control over, and this is something mandatory that we pay every December. He explained that the 10 percent cut in AIM funding and this increase in the pension cost are the reasons that we have to use \$500,000 from Fund Balance.

Alderman Crawford explained that we are a small municipality and this is a huge hit to us. He explained that he cannot believe that NYCOM isn't shouting about this. Mayor Aiello explained that they have been. He explained that he has had two different meetings with the Comptroller's Office and he is basically telling us that it is what it is. He explained that they come out with an actuarial and say that this is where we're at and this is what you have to pay. He explained that it is tracking to be a lot less next time around but they have to keep the fund going. He explained that he believes that Alderman Witte went through this when she was mayor. He explained that when the stock market goes down, these are things that you have to deal with. The biggest change in this budget is the retirement expense.

Alderman Crawford asked if the number calculated is something that they send you, or if they send the City information to compute the number. Mr. Saradin explained that it is an actual estimate sent from the State. He noted that he will send the notice from the State to the Council. He explained that unfortunately is what it is. They are asking for \$500,000 from the fund balance from the Council to balance the budget. He explained that as soon as he saw the notice, he ran into the Mayor's office who immediately reached out to NYCOM. It is very

upsetting but there is nothing that we can do about it this year. Maybe when they go through this process next year the market at 3/31/21 will be at a better place.

Alderman Crawford explained that the market dropped off about 30% last March and asked if this is affecting Social Security as well. Mr. Saradin explained that this is strictly for New York State retirement. Alderman Crawford explained that he is truly just trying to understand that they tell us a number and we have to pay. Mr. Saradin explained that at this point it is nonnegotiable and we are in between a rock and a hard place. He explained that he has made the argument that he was told that this is based on a five year average and one year shouldn't dictate a 25% increase, but they just tell us we have to pay it. This is very bad news.

Alderman Witte asked if there is a way to spread this out rather than to pay it all at once. She explained that it is based on the stock market but the stock market is turning up. It is unfair to municipalities to hit us with such a huge cost. She feels that we should be able to spread it over a couple of years. Mr. Saradin explained that he and Mayor Aiello had made that suggestion, to pay part this year and see what happens next year. They won't go for that either. He explained that it was a hard discussion on trying to get them to move.

Alderman Robinson asked what would happen if the City did not have the money to pay for the retirement bill. Mr. Saradin explained that hopefully we will always have the fifteen percent surplus. He explained that if we have to spend part of the surplus and go below then we would have to render a decision on what we could do to get back above the fifteen percent. Mayor Aiello explained that he thinks that we would probably be heading back into deficit financing from the State. He explained that it is not definite, but that is what his first reaction would be. We would then be under State control for five years. They would not let us default but they would take over our finances. The State would need to approve of the budget and what we were doing. He explained that it is a process and something that we can't control. They tell us what we owe for retirement and we have to pay it.

Mr. Saradin explained that part of the argument is that people are living longer and making more money, but he was not happy with that explanation. HE explained that they are saying that about 85% of the fund is the result of stock market activity so it is driven by the stock market. If you didn't use the stock market he doesn't know what formula they would come up with.

Alderman Anastasia asked where the other \$150,000 of the total \$500,000 increase is going. Mr. Saradin explained that the City lost about \$200,000 in AIM funding so we were already in the hole \$200,000 when the budget was started. He explained that in addition, the assessed valuation going down cost us a .6 percent tax levy so before we even started our budget called for a .6 increase just because of the valuation so everything being put together results in an

increase. He explained that the good thing is that sales tax revenue has only been down 1.6 percent, as that has really saved us this year.

Alderman Crawford asked what the projection of addition to fund balance is, and Mr. Saradin explained that in the preliminary budget done by BWB \$376,000 will be added to the fund balance. He explained that just under \$3 million is in the General Fund Balance. Taking \$500,000 out of Fund Balance, given the projected addition, would only cost us \$125,000 compared to what we have in Fund Balance now. He explained that the \$3 million figure puts us at 18.5 percent.

Alderman Crawford asked if the \$376,000 is a projection from the 19-20 budget or 20-21 budget, and Mr. Saradin responded that it is from Fiscal Year 2019-2020. Alderman Crawford asked how we are trending this year, and Mr. Saradin explained that he will know better after March 15, 2021 as that is approximately when we will have another month of sales tax revenue. He explained that there are also rumors from NYCOM that AIM funding will not be cut in March. He explained that by mid-March we will have a better idea of where we are trending.

Mayor Aiello explained that we didn't have information on the retirement system because we just met with NYCOM and DiNapoli about a week or so ago. He explained that the latest from NYCOM is that the 10% AIM cut will be there, as it is in the Governor's budget unless the legislature overrides that. HE explained that we are supposed to be made whole or three fourths whole of the money that was previously withheld, and this information just came out last Thursday. He explained that there are a lot of things going on right now and a lot of movement. He explained that he also received information that if the stimulus bill goes through that the City could receive \$2.5 million of unrestricted funds, but there are a lot of ifs and buts right now. He explained that if that money does come that they are trying to make it so that it goes right to municipalities rather than through the State since the Governor has a way of holding onto money. Mayor Aiello explained that there is a lot of going back and forth.

Mr. Saradin explained that the budget calls for a 10% cut in the AIM funding. He explained that he hopes that we get at least $\frac{3}{4}$ of what we are owed and that we get \$2 million in March, not \$1.8 million, He explained that this is why we want to wait until we get the AIM payment to see where we are. Mayor Aiello explained that the withholding by the Governor's office did not start until after we got our big payment last year so we were lucky. He explained that with any luck we will get what they are saying, but it seems to be changing daily. He explained that as soon as we find out he will let the Council know.

vi. Youth & Recreation

Mr. Shewairy explained that there are five different divisions in his department. He explained that his 7140 division is \$5,000 less than last year and he feels that this is a doable number for

the services that they want to provide. He explained that minimum wage increases have affected the 100 line items. Alderman Crawford asked about the 2020 pool opening and Mr. Shewairy explained that Franchot was open for six weeks, and there was also a modified summer recreation program. Alderman Crawford asked if both pools are set to be open this summer, and Mr. Shewairy explained that is the plan. Alderman Crawford asked about the St. John's program, and Mr. Shewairy explained that the program is open every day and there is also open basketball. He explained that there has been no youth basketball league due to COVID but there are plans to bring it back next season.

Mr. Shewairy explained that there are very few changes in his Recreation Maintenance budget. He explained that chemicals have increased as he is anticipating both pools to be open, and chemicals are also used for the water treatment of the cooling tower at the ice rink. He explained that the rest is the same as last year.

Alderman Witte asked if there is any benefit seen from the solar panels at the Recreation Center, and Mr. Shewairy responded that the energy is used to offset the cost of lighting in the pavilion and the parking lot lights. Alderman Crawford explained that he knows that a lot of money was put into the center, and he asked if there are any major issues or maintenance that is foreseen in the next fiscal year. Mr. Shewairy explained that we are just keeping up on things and doing preventative maintenance and minor repairs. He explained that there are some doors that need to be replaced that were not done as part of the renovation, as well as small heaters in the utility rooms.

Mayor Aiello explained that a great idea was come up with for the interior double doors. Mr. Shewairy explained that they were an eyesore and they were going to cost \$12,000 to \$14,000 to replace. He explained that Mr. Andhor, the Maintenance Manager and the center, had the doors sent out to a local company to be sandblasted and powder coated. He explained that this, as well as new hardware, was done for around \$2,000 and was a cost effective way to make the doors look new. He explained that he is proud of the facility and what it brings to the area.

Mr. Shewairy explained that the Youth Bureau line items are for the summer recreation program in the three housing courts as well as for the Youth Court Coordinator. He explained that this budget is identical to last year, and some of the funding is reimbursed by the State. He noted that last year we received \$16,000 in reimbursement. Mayor Aiello explained that over the summer there were three individuals who were in the different courts and they did everything pretty much right at the courts. He explained that due to COVID they were not able to bring the kids to the pool or events that the City had, but they did a great job with keeping the kids busy and when there were threats of inclement weather they were able to use the Court's community room.

Mr. Shewairy explained that the line items for the Bartlett House budget have remained unchanged. Mayor Aiello explained that he will provide a summary of events to the Council. Alderman Crawford asked if the Recreation Specialist is the marketing specialist, and Mayor Aiello responded that it is.

Mr. Shewairy explained that he is trying to keep up with repairs at the John J. Ash Community Center. He explained that he is hoping to put in another ADA complaint door on the parking lot side. He explained that the program line is up a little bit since they are starting to do activities there, and they are heading up the road to getting back into more activities. Alderman Witte asked if there would be money that could be encumbered at the end of the year since activities were not being done, and Mr. Shewairy explained that it is possible, but that they are doing more as the months go by. Mayor Aiello noted that whatever is not encumbered will go to fund balance.

Alderman Panus explained that it seems that the Bartlett House and Josh Ash Community Center have high heating and fuel bills. He asked if there is a process to look at that and determine if we should do something different. Mayor Aiello explained that the new HVAC Specialist position's duties include evaluating that to see what can be done.

vii. Mayor and Attorney

Mayor Aiello explained that the difference in his budget includes the addition of a part time Human Resources Specialist, which is estimated to be around \$30,000. He explained that \$15,000 of this cost is reflected here, with \$7,500 in the Water Fund and \$7,500 in the sewer fund because the position would cover employees in all three budgets. He explained that there are also adjustments for his secretary who is paid out of the personal service line.

Mayor Aiello explained that most of the celebrations funding from last year rolled back into the General Fund. He explained that this is an expense in the Mayor's office, and a Alderman Witte pointed out during an Equity and Inclusion Committee Meeting, it is very important to have the Mayor's Forum meetings, He explained that if things loosen up he wants to start having those meetings again.

Alderman Crawford asked if the Human Resource Specialist position is a Civil Service Position, and Mayor Aiello responded that it will be, even though it is part time. He explained that right now it has been put in as part time with no benefits at around 25 hours a week.

Mayor Aiello explained that there are not a lot of changes in the Attorney budget either. Mr. Saradin explained that the personal service line has gone down because we received funding through a grant that has paid for a portion of the City Attorney's salary. Mayor Aiello explained that travel and training may be able to be reduced since Mr. DiCerbo went to NYCOM and he is

not sure if Mr. Hart is interested in that. He explained that we have ended our agreement with WestLaw for legal research, and we will now be reimbursing Mr. Hart for the cost of adding municipal modules on his WestLaw account at his private office.

Mayor Aiello explained that the Industrial Development budget funds our corporate sponsorship with the Greater Olean Area Chamber of Commerce. He explained that there is also a disaster preparedness line that has remained the same at \$500, which gives us funds for immediate needs to mobilize and open up an emergency operations center in the case of a disaster.

Alderman Witte instructed the Council to look through these sections of the budget and bring back any questions that they may have. She explained that as everyone pointed out, there seems to be very little change. She noted that Mr. Saradin's information regarding AIM funding in mid-March could have a big impact.

5. Committee Reports

None

6. Adjournment

Mayor Aiello reiterated that if the Council has any need of explanation of anything they find going through the budget that they should speak with Fred in order to gain an understanding.

A motion to adjourn was made by Alderman Witte, seconded by Alderman Robinson. Voice vote, ayes all. Motion carried. Meeting adjourned at approximately 7:05 p.m.