

FINANCE

Tuesday, March 30, 2021 – 5:30 p.m.

via Zoom

Present: Members: Chairman Witte, Vice Chairman Crawford, Alderman Panus, Alderman Gonzalez, Alderman Barnard; Alderman Robinson, and Alderman Anastasia. Others: Mayor William Aiello; Fred Saradin, City Auditor, 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.

2. Approval of the Minutes of the Previous Committee Meetings (Tuesday, March 2, 2021; Wednesday, March 3, 2021; Tuesday, March 9, 2021; Tuesday, March 16, 2021)

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

3. Unfinished Business

None

4. New Referrals for Consideration

a. PL #11-21: (Aiello) Budget 2021 – 2022

Alderman Crawford explained that feedback provided by the Aldermen was submitted to the Mayor's office early this morning. He explained that the Council has also requested to have some conversation about projected revenues in the next budget year. He thanked the Department Heads for their efforts and presentations.

Mr. Saradin explained that projected revenues are on pages 40 through 42 in the tentative budget. He explained that there still may be a couple of loose ends or things that we are not 100 percent sure about, the largest being AIMs funding. He explained that we have heard that it will be fully restored, but we have also heard multiple other things. Mayor Aiello explained that the latest that was heard from NYCOM on March 22nd is that AIMs funding is proposed to be fully restored in both houses in the Governor's Executive Budget, and the Assembly proposed an increase of an additional \$25 million. He explained that the Senate and Assembly both rejected the proposal from the Governor to withhold aid payments. He explained that there is still five percent out there that we did not get back and there is currently no conversation out there regarding that five percent. Mayor Aiello explained that he is not sure if

it will be restored in the current budget, but it is looking good that funds will be restored in the budget that the State will be passing.

Mayor Aiello explained that the Senate budget increased transportation aid. He explained that CHIPS money was left in place and the extreme winter recovery money was put back into the budget in an amount of about \$65 million. He explained that it was also suggested that the extreme winter recovery funding increase an additional \$150 million. He explained that the City currently receives about 86 cents per linear yard of State arterial highway that is maintained, and the transportation aid is suggested to raise that to about \$1.87. He explained that both houses passed an additional \$100 million to both the Pave NY and Bridge NY programs. He explained that if this holds, the AIMs money will be restored but the five percent is still lingering out there.

Alderman Crawford explained that the only downside that we can see from the State aid is maybe not getting the five percent back from this year, and that next year it looks like all funding should be restored, and possibly increase. Mayor Aiello explained that this is correct, and that NYCOM says that there is a good possibility. He explained that this is a critical time for the State budget, and that negotiations are now going on between the House, Senate and Governor's office. He explained that the Council should keep in mind that the State has, under the Recovery Act, received money to make them whole on debt from the Federal Government, so they should not be withholding aid money. He explained that he has relayed this information to our representatives George Borello and Joe Giglio.

Mr. Saradin explained that in the tentative budget issued a couple of weeks ago, he assumed a ten percent cut in Revenue Shares – New York State, and he suggests that the budget be redone with the funding not cut ten percent. He explained that this will account for a significant change. Alderman Crawford asked if he feels that this is reasonable, and Mayor Aiello explained that he thinks that this is reasonable and he is hoping that we will have more information prior to the adoption of our budget. He explained that he will reach out to NYCOM tomorrow to see if they have an update, as we are quickly approaching the State's April 1st deadline to pass the budget. He noted that it does not look like the State will pass their budget on time this year.

Mr. Saradin explained that transportation was cut by ten percent as well, and asked if this should be restored to 100% as well. Mayor Aiello asked if this is for arterial aid, and Mr. Saradin responded that it is. Mayor Aiello explained that we should leave this at last year's number to reflect no cut and no increase, until we are sure that there will be an increase in aid.

Mr. Saradin explained that he felt that we could raise revenues by \$25,000 in the ambulance fund. He explained that in terms of sales tax, through March our sales tax revenue is down only 1.38%, which is a lot better than what we had expected. He explained that he believes with an

increase in gasoline tax, which is a major component of our sales tax revenue, we will be over budget for sales tax revenue this year. He explained that if April and May are consistent with the first ten months of the fiscal year, he anticipates that we will have over \$175,000 over budget in sales tax revenue. He explained that our economy will be a little better, and he feels that we will have more sales tax revenue from the price of gasoline, so he suggests that we can come in with a ten percent increase.

Alderman Crawford explained that he thinks that this is in part because an e-commerce uptick just exploded and he thinks that this generated a lot of sales tax revenue for us. He explained that hopefully this will continue, and he feels that with additional funding and stimulus money out there, it will.

Alderman Anastasia explained that he understands that the ambulance billing is done by a company in Buffalo, and asked if it would be cheaper to do in house. Mayor Aiello explained that it can be very technical, and if the billing is not done properly there can be a lot of different issues. He explained that the company specializes in billing, especially with Medicare and health insurance. He explained that he believes that we pay the company \$5,000 a month to do this. He noted that we can be penalized severely on an audit if this is not done right. Alderman Witte added that if you don't bill correctly, it gets kicked back and if you don't resubmit correctly, you lose revenue. She explained that the company is very good at catching all of those things and resubmitting, if necessary.

Alderman Crawford asked if there is a 1.3 percent total increase with what has been built into this portion of the budget. Mr. Saradin explained that it is, and that it will change after the budget is redone following tonight's discussion. Alderman Crawford asked what the Gross Receipts Tax line is for, and Mr. Saradin responded it is for reimbursements from National Grid and National Fuel for local taxes charged on their bills.

Alderman Panus asked where revenues from the solar farm can be found, and Mr. Saradin explained that it would be seen on the expenditure side. He explained that credits come right off of the National Grid bill, and he believes that we have saved around \$135,000 over two years.

Alderman Crawford explained that it may not be important now but possibly to have a discussion in the future, to discuss interest and penalties on tax non-payment and late payments. Mr. Saradin explained that we get this primarily from the County, and Alderman Crawford asked if we have control over our penalties for delinquent water bills and delinquent taxes. Mr. Saradin explained that the County charges 5% for penalties on late taxes paid. Mayor Aiello explained that we do have control over the late fees charged on water bills.

Alderman Witte asked how much we are saving by not collecting County taxes. Mayor Aiello explained that we save about \$5,000 a year. He explained that when you look at the cost of printing bills, postage, and man hours spent, although we no longer receive the late fees from the bills, we save about \$5,000 a year.

Alderman Panus asked if we are able to recover the delinquent water and sewer bills on an annual basis, and Mr. Saradin explained that in March, the City was made whole on all delinquent City taxes and water and sewer receivables. He explained that we received a check for nearly \$1 million, and that about \$550,000 of that was delinquent water and sewer liens. Alderman Panus asked if that shows up under Property Tax Revenue, and Mr. Saradin explained that it shows up as receivables in the water and sewer funds and then when it is collected in March, it is applied against those receivables.

Alderman Crawford explained that he thinks that just receiving the news as far as the revenue sharing and the State aid definitely helps to offset the pension fund hit that we have had to deal with.

Mr. Saradin explained that in the water fund the revenue numbers will be changing if we decide to change the increases in water and sewer. He explained that in the water fund, they had proposed a two percent increase. He explained that we are running under budget in revenue this year, and he is not sure if we can pinpoint that to Indeck of COVID. He explained that he wanted to see a two percent increase to get us another \$80,000 in the water fund. Alderman Crawford asked if we have an actual to date number, and Mr. Saradin explained that he will have that this week for the Council.

Alderman Witte asked if there is any way that we can break out the actual number that Siemens pays. Mayor Aiello explained that he forwarded a document to the Council from Mr. Ring prior to the meeting that shows some of this information. Alderman Crawford explained that we were concerned with the potential loss of Siemens Manufacturing and what that would look like. He explained that plant 2, which would probably be the biggest piece of that, is between \$200,000 and \$400,000 between water and sewer. He asked how we plan for that.

Mayor Aiello explained that he can have Brad and Bob here to explain this but he can have them put together information and send it out to everybody. He explained that Indeck has been running, and he will ask them to put together an analysis and get it out to everybody. Alderman Witte explained that the new hotel may help offset part of this, but will not be nearly enough.

Alderman Crawford explained that our job is to sometimes assume the worst case scenario and that is possibly \$300,000 less. He explained that maybe Fred's recommendation when he built the increase into the budget is something better. He explained that the consensus of the Council was to bring the increase down to 1.5 percent, but if we are running the risk of losing

one of our major users we may need to dip more into the fund balance in the future and he would like to get some analysis on that. Mr. Saradin explained that we were kind of faced with the same situation in the sewer fund. He explained that we wondered how we were going to pay for a new plant and what we did was raise rates five percent over three consecutive years. He explained that this helped take care of the debt service payment. He suggested doing possible three percent raises over the next three years to help soften the blow of a necessary large increase. He explained that this may be something worth talking about in the future.

Alderman Witte explained that she knows that some people just don't get this, but water and sewer are user fees, not a tax. She explained that we always have to stress that this is a user fee, not a tax. We are not adding to taxes. Alderman Crawford explained that Mr. Saradin's idea is definitely something to consider.

Alderman Panus explained that when he sees how much revenue is going to be taken out of water and sewer, he feels like the increase is where you make up for it. He knows that people don't necessarily like increases but if you think about it, water and sewer are two of the most important things that we have. Alderman Witte explained that she feels that we should do a 2 percent increase instead of 1.5, and Alderman Crawford agreed. He explained that he doesn't know if he is on board with jumping into anything more at this point. He explained that we all hope and pray, and there are a lot of people who are working on trying to find a new tenant for that factory. Alderman Gonzalez agreed that anything that we don't do now we will have to do later, so we should start the increases sooner rather than later. Mr. Saradin explained that two percent each year over three years will help a lot.

Alderman Witte explained that by the end of the next budget year we will be able to see what the hotel brings in, and Alderman Crawford explained that ideally, three years down the road we will have a new tenant in the plant.

Alderman Crawford asked if in sewer revenues we should be airing on the side of caution and asked if we should increase the rates at least 1 ½%. Mr. Saradin explained that this would result in an additional \$60,000, and with the projects that Mr. Ring has talked about, we could certainly use the money on infrastructure. Alderman Crawford explained that there is definitely no shortage of infrastructure work, but he would like to plan for the loss of revenue as well.

Alderman Crawford explained that the Council is asking for a slight decrease in the tax raise from 1.3 percent to 1 percent. He explained that what he really appreciates is that with the restoration of State funding, it is a means to help swallow a \$250,000 decrease to our fund balance rather than a \$500,000 decrease. He explained that we can put this money towards capital projects. He explained that the Council would also like to see a 2% increase in water

rates and 1 ½ % increase in sewer rates. He thanked the Mayor and Mr. Saradin for getting the information together for the Council.

Alderman Crawford asked, per this budget, for clarification regarding staffing in the Code Enforcement Office and how many positions are funded. Mayor Aiello explained that the officer in charge is under the Fire Department budget, Mr. Veno is under the Fire Department budget, Mr. Reed is under the Code Enforcement budget and there is one part time position in the tentative budget to be funded under Codes. He explained that any other firefighters that are temporarily assigned to the Codes office are funded under the Fire Department budget. He explained that the department's secretary is also under the Codes budget.

Alderman Witte asked why the secretary isn't partly funded under the Fire Department budget, since that is where she is located. She explained that they used to have someone in Codes and someone at the Fire Department, and then it was cut to just one person and they had to share. Mayor Aiello explained that this can't be explained outside of Executive Session.

Alderman Crawford explained that the consensus that he tried to capture is that the Council would like to maintain three individuals in the Codes office and not fund the additional position. Alderman Anastasia explained that he would like to put the new part time position on hold at least for now. Alderman Witte explained that she thought that in a discussion previously that we were trying to get the Fire Department staff in the Codes office cut down as much as possible, and she feels that we need to stick to that. She asked where the Plumbing Inspector is, and Mr. Saradin explained that this position is under Codes and less than part time.

Mayor Aiello explained that in the current budget there is funding for two part time positions, and in the new budget one position is eliminated and only one part time position is left. He explained that the Council has always wanted to strengthen Code Enforcement and the part time position was to work weekends. Alderman Anastasia asked if there is anything in their contract that has them on specific workdays and times, or if we can have existing staff work weekends. Mayor Aiello explained that he would have to check on this. Alderman Witte explained that the Fire Department does inspections of businesses, and some are done on weekends. She asked if the Fire Department can handle complaints that are received on weekends to eliminate the part time position. Mayor Aiello explained that he would like the Fire Chief to be able to weigh in on this discussion.

Alderman Crawford explained that the Council has requested that the Auto Repairs line be decreased, and that the Council understands that they are doing a great job but we are investing in new vehicles and new police cars. Mayor Aiello explained that he spoke with Mr. Ring about this, and Mr. Donahue at the City Garage, and he wants to remind the council that the purchase of new equipment is a year out. He explained that the Council should keep in

mind that there will be repairs of existing equipment in the meantime. Mr. Saradin asked if we are keeping the auto repairs line with no increase in the budget from last year's amount, and Alderman Crawford explained that this is correct.

Alderman Crawford explained that one thing coming out of the Diversity and Inclusion Committee is that money should be put in the budget to pursue a new website design and annual maintenance for it. He explained that the Council would like to see the City go through an RFP process to have a firm do a new City website. Mayor Aiello explained that he feels that is doable, and the budget can be amended to reflect this.

Mayor Aiello explained that after tonight's meeting, he will go back to the Department Heads with the requests made to discuss them, and then he will get back to the Council.

Alderman Crawford explained that the State Funding is good news. He explained that we will see what happens but it would definitely decrease the pull from the fund balance if funding is restored. He explained that in terms of capital projects that were presented, the Council is asking to hold off on the revaluation. He explained that it may be something that we should possibly consider, and he truly appreciates Mr. Piechota's feedback and explaining the importance of the revaluation. He explained that given the circumstances, the Council is asking that it be removed or decreased to \$25,000.

Alderman Crawford explained that the Council would also like to eliminate the concrete aprons as well as the new bumper cars. He explained that they would like to see HVAC improvements decreased from \$100,000 to \$50,000. He explained that the Council overwhelmingly supported all of the new vehicles. The Council also supports restriping projects, brick street improvements, the South Union Street consultant, the sign for War Vets Park, the Forness Park Capital Fund and Station 1's concrete improvements.

Mayor Aiello explained that he has spoken with most of the department heads that are being affected here and this is not a problem at all. He explained that in terms of the concrete aprons, the Fire Chief advised that he and Mr. Ring are working on a plan so that temporary repairs can be handled in house for a minimal cost. He explained that Mr. Shewairy is not upset about the bumper cars, and he feels that the sign was his most important request. He asked that the Council keep in mind the stimulus money, and that he sent the Council a response that he received from Schumer's office. He explained that the Treasury has not issued guidance on the funds and that they were given 60 days under the statute. He explained that we are pushing them to make the requirements as broad as possible, and once they are done they will release the guidelines directly to cities. He explained that a part of the capital project requests are water and sewer and we may be able to fund the vac truck and part of the sweeper out of

those funds. He explained that we could also bond for everything and use additional water and sewer funds for infrastructure.

Alderman Crawford explained that he feels that a lot of really good projects were listed, and he would like to help grow the City and at the same time, it may be beneficial to find ways to use the stimulus money. He explained that he thinks that we should probably have a follow up conversation on how to fund all of these different things at once, after we get a better information regarding the stimulus money. He explained that we can also discuss what is pulled out of fund balance. He hates the thought of bonding but it is there if they have to.

Mr. Saradin explained that he can see in two or four weeks a very productive meeting regarding capital projects. He explained that we will know then more about the stimulus money, AIMs funding, and a better idea where we are going to come in this year and how much contingency will be left over. He explained that we will have a nice pot of available funds for these capital projects. Alderman Witte asked how much is leftover in contingency, and Mr. Saradin explained that there is \$150,000 in General Fund contingency and we have not touched water or sewer. Alderman Witte asked if we have a ballpark figure of what the amount will be for encumbrances at the end of the year, and Mr. Saradin explained that he feels that we will have a substantial contribution to the fund balance. Alderman Crawford explained that at the end of April or beginning of May the Council can have a discussion about how we can go about funding these projects.

Alderman Crawford explained that the Council is requesting that the sidewalk capital fund be funded with \$25,000. He explained that he has already gotten calls from constituents asking if we will have the program. He explained that we may need to discuss changing the way that the program is done so that it runs more efficiently. Mayor Aiello explained that he had a conversation with Mr. Ring regarding getting our share up front so that we aren't chasing people for money and then letting it roll to taxes. He explained that the program is very popular and if things work out we would like to see an additional \$5,000 go in for a total of \$30,000 so that another several properties could take advantage of this. Alderman Witte agreed that this program has become really popular and that people really appreciate it. Alderman Anastasia explained that he has also had constituents inquire about the program, and Alderman Robinson explained that he is in agreeance to increase the amount to \$30,000.

Mr. Saradin explained that there was discussion about having a capital sidewalk fund and then a line item in the general fund for sidewalk repairs through the City. He asked if this \$30,000 is for the capital fund. Alderman Crawford explained that there should still be a line in the budget for Mr. Ring's department to make repairs where they need to, and that this is for the Sidewalk Program that the Council started. Mayor Aiello agreed that the \$30,000 should go into the capital account for sidewalk repairs and the other funds should be left in the budget for DPW

repairs. Mr. Saradin asked if Mr. Ring's sidewalk repairs is a part of his paving line item, and he explained that he does not believe that there is a separate line for sidewalk repairs. He explained that he would have to add this to the budget. Alderman Panus explained that he thought that it was a part of the streets budget. Mr. Saradin explained that he would confirm this with Mr. Ring tomorrow.

Alderman Crawford explained that he would like to put \$50,000 or so into our Capital Fund balance, and that it is good accounting to clear our books. Mr. Saradin explained that he would like to take a look at that list because he believes that we came in under budget on a few projects so there may be some money left over in places that can be used to offset what is owed in others. He explained that he is trying to find a silver lining in BWB's recommendations and he thinks that we came ahead on some projects where we can use the savings to offset what BWB addressed.

Alderman Crawford explained that one of the areas near and dear, and close to his heart is the disabled community. He explained that he wants to share a concept for potentially setting up a capital fund to put some inclusive playground equipment in one of our park spaces. He showed photos of some different concepts and explained that there are different options for those confined in a wheelchair. He explained that maybe the Youth and Recreation Committee can do some additional research and we can set some money aside. Alderman Witte explained that one of the Portville parks has a piece of equipment like this. She explained that we obviously can't do something like this in every park, and she would recommend being cautious and putting this in a park that is well lit. She explained that being on public property, some people don't seem to care if something is damaged or not. She explained that in order to be handicapped accessible we would need to install sidewalks to reach it.

Alderman Witte explained that the Diversity Committee was very much in favor of this. She explained that the disabled community is a part of our community, and this would show that. She explained that the committee is really trying to touch on different areas where we want people to feel included, and when we talk about quality of life, this is huge. She explained that one of the organizations that we should maybe reach out to regarding this is Intandem, as they might have some suggestions. They might have one of our parks in mind, as well.

Mayor Aiello explained that this is definitely something that we can work on and definitely something that we can take a look at. He explained that part of the King Street Park has equipment for people with mobility issues and disabilities. This would be a great opportunity to do more. He explained that as part of the Forness Park Project he would like to include more, so that we can get more playground equipment that more people can use. He explained that there is a national organization that we can work with, who also helped provide us with charging stations for electric wheelchairs that are at the Farmers Market. He explained that we are a

walkable community and it would be great to get more equipment out there in the parks. He explained that it is not just for mobility issues, but there is also equipment out there for people with other types of disabilities such as autism. He explained that there is a lot of good things that can happen here in the community.

Alderman Witte explained that at one of the upcoming meetings of the Diversity and Inclusion Committee she will include more discussions under “Youth and Recreation” on the agenda. Alderman Robinson explained that he watched last week’s meeting on YouTube and he lit up as soon as this was mentioned. He cannot believe that it wasn’t mentioned sooner. He explained that if you look at the consumers, the highlight of some of their days is to just go for a ride in the van, and if there was something like this in one of the parks, it would give them something to look forward to. On a nice day, it would give them a reason to get out. He is definitely on board and he can’t believe we haven’t done this sooner. Alderman Anastasia explained that he wants to commend Alderman Crawford for this, and he had no idea that things like this were available. He recommended setting aside \$50,000 of contingency funding for this. Mr. Saradin explained that this will be a discussion for the meeting at the end of April or beginning of May.

Alderman Witte explained that someone had mentioned making the pool at the Recreation Center and the wading pool at Franchot Park more accessible. She explained that this is another opportunity that we can look into. Alderman Crawford explained that growing up with a disabled brother, who passed away four years ago, he saw when he was small his mom could put him in swings, but not when he got older. He explained that we are blessed to have Intandem in the community because his brother got to the point that he was too big to live at home and he was able to move into a group home. He explained that a lot of parents take care of their disabled children and maybe have never been able to put their child in a swing or on a merry-go-round. He explained that hopefully this shows that we are trying to work on some really great things and move forward. Alderman Crawford asked if the Mayor would work with the Council on this, and Mayor Aiello responded that he would.

Alderman Robinson explained that there used to be a fund for home repairs and asked if there still is. Mr. Saradin explained that Ms. Kerper would need to speak to that because it is a part of her department. He explained that she oversaw the First Time Homebuyers and Revolving Loan Fund programs. Alderman Robinson explained that he would speak with her regarding this.

A motion to enter into executive session to discuss personnel matters was made by Alderman Witte, seconded by Alderman Crawford. Voice vote, ayes all. Motion carried. Executive session began at approximately 6:50 p.m.

A motion to adjourn from executive session was made by Alderman Witte, seconded by Alderman Anastasia. Voice vote, ayes all. Motion carried. Executive session adjourned at approximately 7:20 p.m.

5. Committee Reports

None

6. Adjournment

A motion to adjourn was made by Alderman Witte, seconded by Alderman Crawford. Voice vote, ayes all. Motion carried. Meeting adjourned at approximately 7:20 p.m.