

FINANCE

Tuesday, November 16, 2021 – 6:05 p.m.
Council Chambers – Olean Municipal Building

Present: Members: Chairman Witte, Vice Chairman Crawford, Alderman Panus (via Zoom), Alderman Gonzalez, Alderman Barnard; Alderman Robinson, and Alderman Anastasia. Others: Mayor William Aiello; Jack Hart, City Attorney; Fred Saradin, City Auditor; Bob Ring, Director of Public Works; Ron Richardson, Police Chief, and Tiffany Taylor, Managerial Confidential Administrative Secretary.

1. Roll Call

Alderman Witte called the meeting to order at 6:05 p.m. and asked that the record show that all committee members were present.

2. Approval of the Minutes of the Previous Committee Meeting (Tuesday, November 2, 2021)

A motion to approve the minutes of the November 2, 2021 meeting was made by Alderman Witte, seconded by Alderman Robinson. Voice vote, ayes all. Motion carried.

3. Monthly Finance and Bills

No questions or comments regarding November Finance and Bills.

4. Unfinished Business

None

5. New Referrals for Consideration

a. Sales Tax Revenue / Budget Impact

Mr. Saradin presented several handouts to the Council. He explained that we have some great news in regards to sales tax in that we have actually received \$631,000 more than we did last year through the first six months of the fiscal year. He noted that some of this received in June and early July is accrued from the prior year. He explained that we do not have the final figures from BWB, but that he estimates that the sales tax revenue from the prior year will come in around \$4.9 million. He explained that this is not projected or anticipated revenue and that this is actual cash that has been deposited into the Five Star Bank Money Market account. He explained that this is money in our hands as actual cash receipts. He explained that we are off to a terrific start for the fiscal year 2021-2022.

Mr. Saradin explained that he has a couple of other good pieces of news. First, he explained that we have budgeted \$1.387 million for the Police and Fire pension payments, but the retirement system has come up with an estimate of \$1.327 million. He explained that the estimated amount for December 2022 is \$1.307 million, so we are seeing a savings in the pension payments being made. He explained that our payment for next year's CSEA payment is roughly \$502,000 compared to \$673,000 for this year, so there is a major decrease in this cost from one year to the next. He noted that this year's payment came in slightly higher than was budgeted for but that since we came in under budget in Police and Fire, we are still seeing a pickup. He explained that these are things to consider when the Council begins budget discussions in the spring.

Mr. Saradin explained that he met with the representative from Crown \$Benefit a couple of weeks ago and found that the City's health insurance is only increasing by 2.8%. HE explained that this is great, because a lot of communities are seeing double digit increases. He explained that we like to think that our employees take advantage of wellness programs, which is reflected in the utilization costs and actual claims against the City. He explained that it is good that we do not have to include a 10% increase for health insurance in the budget.

Mr. Saradin explained that a couple of days ago, the City received one of the two yearly payments from Cattaraugus County for mortgage tax revenue. He explained that the payment of \$97,000 that we received is the highest that he has seen since he started working for the City. He explained that when we do the budget and look at projections for sales tax and mortgage tax revenue, we will see a lot of plusses going into the next budget season. He explained that as soon as he gets November expenditures recorded he will give the Council an expenditure report for the first six months of the year.

Alderman Crawford thanked Mr. Saradin for putting this together. He explained that between this information and home sale information, we can see that we are doing things right and are certainly headed in the right direction. He explained that part of the revitalization effort is tied to the ability to generate revenue. Revenue from other sources means less burden on the taxpayers.

Alderman Crawford asked why BWB takes so long to come up with a figure for sales taxes, and if we should already know definitively. Mr. Saradin explained that BWB doesn't come and present their audit until late December or early January. He explained that he can contact Mr. Isaman from BWB tomorrow to see if he has arrived at the final sales tax number for the year.

Alderman Crawford explained that the Five Star Bank account shows a massive balance. He explained that he knows that we were previously looking into alternative strategies besides keeping money in savings. He asked if Mayor Aiello has followed up with NYCOM regarding this.

Mayor Aiello explained that he needs to bring this to the Council, but that COVID had come to the forefront since this was last discussed. He explained that he will be bringing this to the Council down the road to look at gaining some additional funds.

Alderman Crawford explained that this is all wonderful news. He asked if the contribution in retirement has gone down so much because it went up in the prior year due to the events of March 2020. Mr. Saradin explained that it could very well be that a “bad” year was dropped off of the table. Alderman Crawford explained that the current market conditions could have also been added, which could have balanced it out. Mayor Aiello explained that there is enough money in the state retirement system for every retiree and every person currently working. He explained that they are currently taking in money for future employees. Mr. Saradin explained that he hopes that the market continues to do well.

Mr. Saradin explained that he can also make a blanket statement based on the sales tax report that we received that our local economy is very strong. Alderman Crawford asked if the report would allow for the Council to view a breakdown to see where the funding is coming from, and Mr. Saradin responded that he has been told that this is confidential information that he cannot share. Mayor Aiello explained that New York State Taxation and Finance may have reports, and that would be something that he could see if we could get to distribute. Alderman Crawford explained that he is interested to know if we are moving in the right direction both in terms of e-commerce and downtown businesses.

b. Update on City-Owned Properties

Alderman Witte explained that she had the City Assessor Mr. Piechota put together a list of all of the parcels that the City has received from the County. She explained that the handout provided tells the value of the transfer, if it was demolished or still standing, and if it was sold or not. She explained that she wanted everyone to have an update on these properties.

c. Home Sales

Alderman Witte explained that Mr. Piechota also put together home sale information from 2015 to 2021. Alderman Crawford explained that when he reached out to Mr. Piechota, he wanted to see where home values and home sales are trending. He explained that from 2015 to 2021 sales have increased and values have increased. He explained that there are a lot of indicators that we use when we look at economics and gauge local economies, and home sales is certainly one of those indicators. He explained that this is a positive indicator that we are moving in the right direction.

Alderman Witte noted that we will need to discuss funding a revaluation when the budget discussions begin.

6. Committee Reports

None

7. Adjournment

A motion to adjourn was made by Alderman Witte, seconded by Alderman Crawford. Voice vote, ayes all. Motion carried. Meeting adjourned at approximately 6:25 p.m.