

FINANCE

Tuesday, February 21, 2017 – 6:00 p.m.

Police Training Room – Olean Municipal Building

Present: Members: Chairman Dougherty, Vice Chairman Crawford, Alderman Witte, Alderman Gonzalez, and Alderman George. Others: Mayor William Aiello; Fred Saradin, City Auditor; Tom Windus, Director of Public Works; John Anastasia, Director of Youth & Recreation; Bob Bell, Fire Chief; Jeff Rowley, Police Chief, and Tiffany Taylor, Managerial Confidential Administrative Secretary.

1. Roll Call

Alderman Dougherty called the meeting to order at 6:00 p.m. and asked that the record show that all committee members were present except Alderman Andreano, who joined the meeting via teleconference, and Alderman Smith, who was excused.

2. Approval of Minutes of the Previous Committee Meeting (Tuesday, February 7, 2017)

A motion to approve the minutes of the February 7, 2017 meeting was made by Alderman Gonzalez, seconded by Alderman George. Voice vote, ayes all. Motion carried.

3. Unfinished Business

a. PL #03-17: (Aiello) To adopt a GASB 54 Fund Balance Policy.

A motion to amend PL #03-17 was made by Alderman Witte, seconded by Alderman Gonzalez. Voice vote, ayes all. Motion carried. PL amended to read as follows:

PL #03-17: (Aiello) To create a GASB 54 Fund Balance Policy.

Mr. Saradin stated that he would like to make this as painless as possible. He asked yes or no, does the Council feel that the City should have a Fund Balance Policy. Alderman Gonzalez added that this is only to establish a need and requirement for the policy, and Mayor Aiello added that we will set the parameters of the policy later. Alderman Gonzalez stated that this PL, when approved, will be sent to a regular meeting to vote on a resolution that authorizes the creation of a Fund Balance Policy. Then, down the road, another PL will be introduced with proposed language, and at that time the Council can discuss the wording and parameters of the policy.

Alderman Dougherty stated that he is not a fan of the policy. He has done some research into Fund Balance Policies of other cities, such as Hornell, and he feels that the policy seems to shift the power from the Common Council to the Mayor. Alderman Witte replied that the Council still has the purse strings. The Mayor does not have a vote, only the seven aldermen do.

Alderman George stated that we have been working under a certain unwritten percentage in terms of the fund balance for some time now, so we might as well put it into writing.

Mayor Aiello stated that Mr. Saradin, the City Auditor, and the City's independent auditors continue to recommend that we have this policy, so he believes that we should move forward. He does not understand where the shift in power comes from. Alderman George added that the Council simply sets a percentage for the fund balance (where it should be in comparison to the yearly budget), and then the Mayor knows that he needs to work within those parameters. Mayor Aiello added that anything that comes out of the fund balance requires Council action.

Alderman Gonzalez stated that he just wants to make sure, if there is a concern, that it is brought up. Mr. Saradin stated that he and Mr. DiCerbo will draft the agreement to present to the Council with a PL down the road after they are authorized to create the policy.

Alderman Gonzalez stated that he just wants to make sure that the Council sets a plan into place that will work for future Councils and Mayors. Alderman George stated that we just need to make sure that we play out the possibility of unintended consequences.

Mayor Aiello stated that he sees in Hornell's policy where Alderman Dougherty's concern comes from, and we will make sure to address the issue when the policy is drafted and voted on down the road.

A motion to approve PL #03-17 was made by Alderman Witte, seconded by Alderman Crawford. Voice vote, ayes all. Motion carried. Referred to Regular Meeting Tuesday, February 28, 2017 for resolution.

4. New Referrals for Consideration

a. Budget 2017-2018

Alderman Gonzalez stated that he asked for this discussion item so that the Council and Mayor can discuss how we want to approach budget discussions.

Mayor Aiello stated that we can set up a tentative schedule, and have department heads come in to present their proposed budgets, as we did last year. He feels that it is important to do this when everyone can attend.

Budget meetings were tentatively scheduled for Tuesday, March 7, 2017 and Wednesday, March 8, 2017 at 5:30 p.m. each day in the Police Training Room.

Mayor Aiello stated that, in a nutshell, there are no capital projects in this budget. Mr. Saradin presented the Council with a printout of debt service information, and the Council was provided an opportunity to take photos of the whiteboard with information regarding

highlights of the budget and major items that were requested. Mayor Aiello suggested that the Aldermen speak with the department heads with any questions regarding their individual budgets prior to the meetings on the 7th and 8th.

Mr. Saradin added that Mr. Andy Crawford from the New York State Comptroller's office is here, and Mayor Aiello encouraged the Council to stop in and speak with him for a moment as well.

b. Recreation Center Upgrades Project

Mr. Windus stated that the Recreation Center bids have come in, and as they are time sensitive and as we hope to begin the project the day after the home show, he would like to award the projects as soon as possible. He anticipates PLs and resolutions to be proposed at the February 28th meeting for a formal vote. He continued in stating that DiDonato is currently verifying the bids.

We have pretty good bidders for the contracts, of which there are five. In essence, the contracts entail the complete replacement of the ice rink, including heating, cooling and HVAC, as well as renovations of the locker rooms, bathrooms, and showers, the creation of a referee changing room, and the necessary renovations of the pool. He went over the draft plans, explaining how we are trying to do the best that we can with limited space and limited funding.

The tentative bid awards, subject to review, are as follows:

- Ice Rink Contract – Mollenberg Betz
- General Work Contract – Kinley
- Mechanical Work Contract – Mollenberg Betz
- Plumbing Work Contract – DV Brown
- Electrical Work Contract – KelKur

Mr. Windus went over additional alternatives, including demolishing the wooden structure in the ice rink, rebuilding the wooden structure in the ice rink, completing the pool work, removing and replacing the exterior doors, installing rubber flooring, and scraping and painting the steel rink beams. He is proposing doing all of the additional alternatives with the exception of scraping and painting the steel rink beams. He stated that we could do that work in house at a later date.

After going over the total costs and funding, it was found that there is \$92,969.00 of funding remaining, which would serve as the contingency for the project. Mr. Windus stated that when

they originally estimated costs for the project, they underestimated. He was afraid that the Council would need to apply for additional funding for the project, but it looks as though the current grants and bond will cover the entire project cost.

Mr. Saradin questioned when the grant money would be given to the City, and expressed concern that we may need to look for temporary funding until the grants are paid out. With the consensus of the Council, he will be speaking with Ms. Chappell of Municipal Solutions to see if we can increase the bond to include borrowing for funds that will later be paid back by the various grants awarded for the project.

Mr. Windus explained the issues with the ice rink for the new Aldermen, who were not in meetings in the previous year when the project was originally discussed and funded.

Alderman Gonzalez stated that he doesn't feel that we will get prices to do this work any cheaper, and we might as well do all of the alternatives at the same time to get the potential "bulk" discounts. He asked, though, if alternatives could be cut down the road if the funding isn't there (due to unforeseen issues). Mr. Windus stated that he could ask that of the contractors. The work will be done in phases, and they could do the critical work first, and the alternatives at the end if the money is still there. Alderman Gonzalez stated that he would rather cut something than look for more money.

Mr. Windus and Alderman Gonzalez suggested a tour of the ice rink, possibly one prior to the work and one after.

Mr. Windus stated that the Mayor will be submitting a PL with the bid awards, as well as "not to exceed" amounts, which can be changed on the floor if the Council decides to make any changes in terms of the alternatives. He wanted to bring this to the Council now so he could get them thinking, and he invited them to speak with him or Mr. Anastasia if they have any questions.

5. Approval of Committee Reports

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

6. Adjournment

A motion to adjourn was made by Alderman Dougherty, seconded by Alderman Witte. Voice vote, ayes all. Motion carried. Meeting adjourned at approximately 7:10 p.m.