

FINANCE

Thursday, March 15, 2018 – 5:30 p.m.

Police Training Room – Olean Municipal Building

Present: Members: Chairman Witte, Vice Chairman Crawford, Alderman Andreano (arrived late), Alderman Gonzalez, Alderman Dougherty, Alderman Smith, and Alderman George. Others: Mayor William Aiello; Jeff Rowley, Police Chief; Bob Bell, Fire Chief; Bob Ring, Director of Public Works, 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 Minutes of the Previous Committee Meeting (Thursday, March 8, 2018)

A motion to approve the minutes of the March 8, 2018 meeting was made by Alderman Crawford, seconded by Alderman Smith. Voice vote, ayes all. Motion carried.

3. Unfinished Business

None

4. New Referrals for Consideration

a. Budget Presentations

5:30 p.m. Police

Chief Rowley stated that his typical year to year budget is pretty static. The significant changes from last year to this year are due to contractual changes in personnel services. Many line items are the same or close to the same.

Alderman Witte stated that she sees that street crimes had no amount in it previously, and it now has \$4,000 in the line item. Chief Rowley replied that this is because when he took over the Police Department budget, there was money in an account from seizures (mainly from drug busts) that the Street Crimes Unit was living off of. The funds are now running out. He is trying to work with the District Attorney's Office to get money from local cases, but it's really hit and miss. This line item pays for several things, including undercover cars, a piece of equipment that the Unit uses, and for drug buy money.

He continued explaining that it would cost \$13,000 to run the Unit this year if the account had a \$0 balance. However, he figures that what we have now, plus his \$4,000, will get them through

the year. He feels that we can all agree that the Street Crimes Unit is a very valuable asset to the City. He reiterated that he is trying to work with the DA's office to get additional funding from seizures.

Alderman Crawford questioned if there were any personnel changes, and Chief Rowley responded that personnel changes only occurred in dispatch. He stated that he does propose that we increase the Parking Enforcement Officer's hours, as well as provide a \$1 an hour raise. The Officer does a really great job, and this will allow him to complete two full iChalk cycles a day.

Alderman Crawford asked if the personnel services line item includes any special pay, and Chief Rowley replied that it includes holiday pay for the officers. Dispatch used to be in the same line item, but it was pieced out a couple of years ago. Initially, too much was put into the dispatch 100 line item and not enough in the Police Department 100 line item, so dispatch has gone down, while Police Department has gone up.

6:00 p.m. Fire

Chief Bell stated that he looked at three different things when putting together his budget: what can we live with, what unfunded mandates we have to fill, and what programs are closing out combined with what programs will have to come through.

He stated that last year, two portable radios were replaced in the communications equipment line, as well as a new repeater for Station 1. This year, he is asking that we again buy two new portable radios, as well as begin to replace the batteries for the portables. They are eight years old and are not performing like they should. He stated that this line item is \$180 less than last year.

He continued in stating that public safety equipment last year was at \$0, and now it is \$8,000; however, other equipment was \$9,000 last year, and is at \$0 this year. He stated that this will fund the last year of the hose replacement program.

In the uniform and protective equipment line, \$24,000 is contractual. Some of his turnout gear is reaching its expiration (it has a ten year life), and he would like to begin another three year program to replace all of the turnout gear. This was last done in 2010. This is in addition to the \$24,000 requested for contractual uniform funding.

He stated that under repairs to building and grounds, the funding last year was to replace flooring and carpeting at Central Fire. He stated that the building was originally constructed in 1978, and the garage door openers are the same age. One failed in the past year and had to be replaced. He would like to use these funds to replace the other five doors.

Mr. Bell explained that repairs to equipment includes mandated testing and some tool replacement. Repairs to other equipment is for testing aerials, ladders, and engines, as well as some maintenance to the exhaust system where we don't have the ability to do so in house. Alderman Andreano questioned who performs the tests, and Mr. Bell replied that a lot of the testing is done externally. This shifts liability to a third party. He mentioned that his vehicle equipment is in pretty good shape, with minor repairs being sent to the City Garage and major repairs being contracted out.

He explained that he is looking into a program that aids in cancer reduction for firefighters. He stated that 61% of firefighters die from cancer, which can correlate with the fact that they are exposed to a lot of hazardous materials over the course of their job. He would like to begin instilling best practices. It is possible that, down the road, decontamination could occur at fire scenes.

Mr. Bell continued that he has funding in travel and training to send firefighters to the academy. There are currently fifteen firefighters who are able to retire. Two were sent to the academy last year, and one is there now. He wants to make sure we have funding in anticipation of needing additional personnel.

Alderman Andreano asked how we are doing in overtime, and Chief Bell replied that he believes that the department is \$17,000 in the positive according to the last report provided to him. He stated that he currently has 36 employees. There are 32 on the line, in 4 crews of 8, plus himself, two in Code Enforcement, and one person at the academy.

Alderman Crawford asked if the department incurs any revenue, and Chief Bell stated that there is no revenue created from house fires. The department can sometimes recover on some hazmat expenses, and we receive money for ambulance runs that goes into the Ambulance Fund.

Chief Bell stated that his safety inspection budget is pretty much status quo. There is \$6,000 in a line item for grass fees and shoveling, which is reimbursed when the property owner reimburses the City or when the County pays for liens placed on property taxes.

Alderman Witte stated that she sees personnel service has increased quite a bit. Chief Bell replied that the line covers the Code Enforcement Secretary, the Plumbing Inspector, and one and a half new code enforcement officer. Mayor Aiello added that they intend to hire one part time officer for 20 hours a week, and one full time officer for 40 hours a week.

Mr. Bell stated that there is \$15,000 in the demolition of unsafe buildings line. This will only handle one demolition, and is mainly used for demolition after a house fire. If we do not

demolish a house through the year, he recommends we use the money to demolish a blighted property.

Alderman Witte questioned what the estimated timeline is for the recently approved demolitions. Mayor Aiello stated that we are working on bids right now, and Chief Bell stated that he anticipates having them down before June. Alderman Witte questioned if the \$90,000 in the Capital Fund for demolition will cover the cost to take the five down, and Chief Bell replied that it is going to be close.

Alderman Witte questioned how much is currently in the Ambulance Fund, and Mayor Aiello replied that \$115,900.33 is currently in the account. Chief Bell stated that an ambulance costs, on average, \$135,000.

Alderman Andreano asked who our new medical director is, and Chief Bell responded that it is Brian Walters. He is also the County's medical director. He is very proactive on firefighter safety. He is consistently at the station reviewing the work of the officers, and he also comes to the fire scenes.

Alderman Andreano questioned where the City is with their ambulance billing contract. Chief Bell replied that we attempted to look for a company that changes a percentage of what they obtain for the City, but most companies will accept a flat rate only. Someone used to do the ambulance billing through the Clerk's office, but there were issues with coding and the City lost money. Alderman Witte added that, when the current company was chosen, one of their attributes is that they will resubmit bills when necessary.

Alderman Witte asked if we have any planned upcoming disaster drills, and Chief Bell responded that there is one coming up at St. Bonaventure. Chief Rowley stated that this will be an active shooter drill. Mayor Aiello added that a table top occurred at JCC a couple of weeks ago to discuss this topic. Chief Bell stated that we have a great working relationship with Chris Baker of the County Emergency Management Department. He recommended that more department heads go through NIMS Training as well.

Alderman Witte stated that she sees that animal control increased by \$5,000. Mayor Aiello stated that this is to aid in the beginning of a feral cat program.

6:30 p.m. Public Works

General Fund

Mr. Ring began by stating that the Engineering budget decreased, mostly because one of the Civil Engineers in the office left and will be replaced with an aide or Junior Civil Engineer. There

are usually two employees in the department plus one consultant. Right now there is only one employee and one consultant.

He continued that there is a \$17,500 increase in equipment because a plotter stopped working this year and would like to replace it. He decreased the line item for miscellaneous contracted services. This line item covers Dig Safely costs, and we only used \$2 out of the line item this year. Alderman Gonzalez asked how this was possible, and Mr. Ring replied that when the City doesn't respond to a Dig Safely request within a certain period of time, they are charged \$1. This happened twice in the past year.

Mr. Ring stated that in the Public Works Administration budget, the 100 line item covers 1/3 of the salaries of himself and two of the workers in his office (with 1/3 going to the water department and 1/3 going to the sewer department). Everything pretty much stayed the same from the past year.

He stated that he put \$45,000 into the Capital Outlay for the buildings and grounds in order to update the ADA ramp and improve handicapped parking and storm sewer drainage at the City Building. There was a recent fall on the ADA ramp and he feels that this is an important project. He had completed some of the design work when he previously worked for the City.

Alderman Crawford stated that he sees the actual expense from the last year is \$123,000, and Mr. Ring replied that this was for the generator and generator wall. Alderman Gonzalez stated that this was a Capital Project that was funded two budgets ago, so he questions why it shows on the 2017-2018 budget. Mayor Aiello stated that he would discuss this with the City Auditor.

Alderman Smith asked about the slip and fall on the ramp behind the building. Mayor Aiello stated that several rivets were gone, and a man caught his foot walking on the ramp and fell. Alderman Smith questioned what \$45,000 would do, and Mr. Ring replied that it would replace the ramp, provide upgrades to the sidewalk, and aid in solving some of the drainage issues that occur in the corner handicapped parking space. Alderman Smith stated that he doesn't see this as a three alarm fire, and if we get down to the nitty gritty, this can be cut.

Mr. Ring stated that there is a \$20,000 decrease in the central garage budget. Alderman Witte asked if overtime costs are down, and Mr. Ring stated that we had to transfer some funding from the current year's budget to the parks budget, but the year to date activity is at less than 50%.

Alderman Witte stated that the rest of the central garage budget looks pretty steady. She questioned if automotive repair costs should be going down due to the implementation of the fleet management committee. Mr. Ring replied that he has seen some reduction, and he has been in discussions with Enterprise Fleet who feels that they could save us additional on fuel

and maintenance costs. Alderman Smith stated that he feels that the City is in a spot where they got the idea to put together the Fleet Management Committee, but we still are not liquid enough to make it work the right way.

Alderman Smith questioned the building repair costs, and Mr. Ring stated that we need to address the west wall of the garage. Dennis Cook has recommended scraping the main walls with mortar, and repainting. Alderman Smith questioned if all else is structurally sound, and Mr. Ring replied that the garage itself is. The other two buildings, which include the sign shop and the salt shed, are not. They only have a zero to five year life left. We have to decide if we are going to put money into the garage or move to a new location.

Alderman Witte questioned if we have ever considered moving some of the garage shop operations to the Front Street property. Mr. Ring replied that it is possible, as we could certainly use more storage. We will need to put money into some sort of facility.

Alderman Smith stated that he is glad that we are working on the walls. He likes the location of the garage in the center of the City.

Alderman Andreano asked if Central Electric is still located behind Bradner Stadium, and Mr. Ring stated that it is moving to the Sewage Treatment Plant. Mayor Aiello stated that this gives space needed back to Parks, and the City Electrician does most of his work at the Sewage Treatment Plant anyways.

Mr. Ring explained that the City Electrician offered some minor cuts from the line items in his budget. Alderman Witte stated that she sees that traffic signals is down, and Mr. Ring replied that this is because of the Pedestrian Safety Action Plan grant that was applied for. He stated that he originally put \$50,000 into Capital Outlay in the Electrician's budget, but it has been removed. These funds were for lighting work at Forness Park. The local electrician's union is working with the City on estimates, and Mr. Ring may come back to the Council to request funding when he has a better idea of the potential cost. Mayor Aiello added that the electricians had offered to help the City by bringing electric to the park, so if we decide to install lighting, the electric needed will already be there.

Alderman Smith questioned what the metal shop at the garage is used for. Mr. Ring replied that this is the sign shop, and it is also used for tire storage. Alderman Smith questioned if it could be repaired, and Mr. Ring replied that he does not believe it can be. Alderman Crawford questioned what benefit there would be to put the building on Front Street. He feels that, since it includes tire storage, it seems more practical to keep the building on the same property as the garage. Mayor Aiello added that it would be more practical to move the salt shed to Front Street. Mr. Ring stated that he will have to look into the different ideas and options we have.

He would like to have Mark Donahue speak with the Council to give them a better idea of what there is, what is needed, and what potential costs could be.

Alderman Crawford asked Mr. Ring to confirm that neither structure (the sign shop or the salt shed) are in the budget, and that they need to be replaced in the next five years. Mr. Ring responded that he is correct.

Alderman Smith asked if we are planning to fix one wall per year on the garage. Mr. Ring responded that we are going to see how that works. We plan to do a lot of work internally, and hire out for just one wall that has potential structure issues.

Under the maintenance of streets budget, Mr. Ring stated that he feels very strongly that “preventative maintenance” is very important. He stated that we have a great director of maintenance. He stated that he would like to include \$45,000 in this budget to restripe West State Street from Thirteenth Street to the City Line from two lanes in each direction to one lane in each direction with a center turning lane. Alderman Gonzalez stated that he loves the idea of this project. Mayor Aiello stated that he will discuss with Mr. Saradin to see why this was not included in the budget. He stated that there was a Resolution passed in 2014 to authorize this change, but it never occurred.

Alderman Witte questioned what CHIPS funding is at this year, and Mr. Ring stated that there is nothing left. Mayor Aiello stated that he believes that we will get the same amount as last year, and he does not think that there will be an increase in either CHIPS or AIM funding. Mr. Ring stated that he believes that we will see around \$565,000.

Alderman Witte questioned if we would be doing any heater scarifying with the CHIPS funding. Mr. Ring replied that he would like to see this brought back this year. It generally does not last as long as milling and paving, but it gets more done. He is doing some research to see which method gives the City the most “bang for their buck”.

Mr. Ring stated that, during the last snowstorm, the City spent \$5,000 for tree removal. He stated that the money that was just approved to remove trees will help immensely. He stated that the budgeted funds help with the costs of tree maintenance and trim work for City trees.

Alderman Crawford asked, since trees can interfere with water and sewer lines, if money can be budgeted for tree removal from the water and sewer line items. Mr. Ring and Mayor Aiello each responded that they can't answer that question. Alderman Smith stated that it is a valid argument, as tree roots can wreak havoc on water and sewer lines. Mayor Aiello stated that he can contact NYCOM to find out if they have any information on this.

Mr. Ring stated that the tree program has been increased by \$10,000, and emergency cleanup funds remained the same. Alderman Witte asked if trees are still being removed by National Grid, and Mr. Ring replied that we have maintained a good relationship with them and they still respond to issues with trees on or above lines in a timely manner.

Alderman Crawford questioned if we can look into a program where the City splits the cost 50/50 with a homeowner when we order a tree to come down. This way, we get \$80,000 worth of work for \$40,000. Alderman Dougherty added that homeowners may like this idea because they will get the same City "rates" for removal. Mr. Ring stated that he has seen the tree removal funding numbers go down, and he does not want to see them go back up. Alderman Gonzalez asked if the pricing structure that is used for the City could be used if the City works with residents to take down dangerous trees, and Mr. Ring replied that it could.

Alderman Crawford stated that he would like to see the amount funded for tree program go up a little bit in order to keep Tree City USA status. Mayor Aiello stated that he feels that we are already there. We have a City Forester, and we spend \$2 per resident on the program.

Alderman Crawford questioned if we have an idea of cleanup costs, and Mr. Ring replied that \$14,600 in emergency cleanup funds, not including the latest storm. Mayor Aiello added that the last storm cost an additional \$5,000 or more, and the Council may need to transfer money from Contingency at a later time to cover this expense.

Alderman Smith stated that he is against replanting trees when we remove them. He has seen a tree with a 2 inch trunk bust a sidewalk. He wants to see the City take a breather when it comes to planting trees.

Mr. Ring stated that the maintenance of bridges budget covers the cost of repairing hills, culverts, and bridges. He has kept this amount the same, and he feels that it is important to keep this amount the same.

Alderman Andreano asked how good the City is on the salt budget under snow removal. Mr. Ring stated that we were great until March. The last he knew, we had a full supply that would be enough for three small snow "events". Alderman Crawford asked if salt is still the preferred method, and Mr. Ring stated that we do not consider using sand anymore because we do not have the crews to clean out storm basins. He anticipates having information on brine water in the next year or two.

In response to a question from Mr. Crawford, Mr. Ring stated that year to date we have spent \$82,000. He feels that this is \$20,000 less than we would have spent thanks to the Supervisor and her efforts. Mayor Aiello added that Mr. Ring talked himself and Mr. Saradin into reducing this account by \$20,000, and they trust his judgment.

Alderman Smith questioned if every street is salted, and Mr. Ring stated that he believes so, yes. Alderman Smith stated that out west, there are programs where cities don't try to eliminate every single molecule of snow on the roadway, He asked why we don't consider looking into something like this. Alderman Crawford added that he also sees plows scraping against the curbs to get the street clean, and this erodes the curbs. Alderman Gonzalez stated that this is a hot issue, and Alderman Smith replied that he is talking about salting, not plowing.

Alderman Andreano stated that we have a lot of kids that walk to school, and when residents don't shovel their walks, the kids walk in the streets. It would be dangerous. Mr. Ring added that one of the most important things that we need to do, because of our climate, is uncover the catch basins. Mayor Aiello stated that he is not sold on Alderman Smith's idea, and he really has to think about it.

Alderman Gonzalez asked if street lighting costs have gone down due to traffic lights removed for Walkable Olean, and Mr. Ring stated that both this and the conversion to LED's has lowered the cost. The year to date activity is \$160,000.

Alderman Crawford asked if moving to three lanes on West State Street would allow for the reduction of any traffic lights, and Mr. Ring replied that he doesn't feel that we should reduce any. He does foresee discussions regarding changing some intersections to roundabouts in the future, though, and this would decrease traffic lights.

Alderman Witte questioned if personnel has decreased at the airport. Mr. Ring stated that a lot has changed at the airport as the result of many discussions. He feels that there is potential for some cuts here with reduced hours and heating changes. The Airport Users Group will be meeting with the Council at a later meeting to discuss things with the Council.

Alderman Crawford replied that year after year, the airport loses more than \$200,000. He is happy to see reductions. He doesn't feel that the airport is an economic driver to the City, and everyone can agree, or agree to disagree. He has done some research, though, and he has found that we are stuck with the airport and will face some considerable financial issues if we try to walk away. He stated that he is very appreciative that Mayor Aiello and Mr. Ring reached out to the Group, and thinks that if we cannot get out of the airport, and we should look at ways to raise revenue. We will discuss at the meeting ways to move forward from here.

Alderman Witte questioned if the hangars are filled, and Mr. Ring stated that they are. Alderman Witte asked if there is a plan for more hangars, and Mr. Ring replied that there was a five year plan that entailed demolishing one and replacing it with a new one. However, it does not make sense to send users to a different airport for a year, as they might not come back. If there is a decision made, it will be to add a third hangar.

Alderman Crawford stated that it is a catch 22 with the decrease in hours. Some key users have gone to Wellsville and Bradford, so while we save costs, we lose users and revenues. He is interested to hear more. He feels that we also need to please our case again and again and again for more County involvement at the facility. Alderman Witte added that it seems that there has been very little County involvement.

Mr. Ring stated that he has an overall decrease in his parks budget by \$7,500. Mainly, he has moved \$10,000 out of buildings and grounds to Capital Outlay. It is his opinion that parks in the City are very underfunded, and he would like to go over, at a later date, a list of all of the parks and their conditions with the Council. Some comprehensive funding would need to be put into place in order for parks to be overhauled.

Alderman Witte stated that with the DRI, the proposed project at Oak Hill Park could do great things for the park if it is funded. Mayor Aiello added that Mr. Ring and Ms. Kerper are looking into grants with the Ralph Wilson foundation for the City's parks.

Alderman Crawford stated that the War Veterans Park is heavily utilized, and he would like to see the park at Oak Hill replaced with similar equipment, to which Alderman Gonzalez replied that it cost more than \$200,000 for that park.

Mr. Ring continued that \$30,000 in repairs is put into Forness Park each year. Alderman Andreano asked if volunteers would be able to paint a park, and Mayor Aiello replied that we would love volunteers to do work. Mr. Ring added that we would need to reach out to the CSEA Union to ensure that there would be no issues.

Alderman Witte stated that some time ago, residents and businesses were able to pay \$300-something for park signs and poles. She believes that an employee in the Auditor's office has this information, and she will reach out to see what money is there and what signs need to be repaired or replaced.

Mr. Ring stated that the City needs to address the War Vets pavilion. WE are getting quotes on repairs now. Code Enforcement has looked at the structure and requires a new roof to be put on. It leaks, and water damage will deteriorate the structure.

Mr. Ring stated that there is a \$5,000 decrease in the stadium budget. The budget pays for a contract with a local landscaper to take care of the field. Alderman Crawford asked when the drainage issue will be fixed, and Mr. Ring replied that the work should be done in August between baseball and softball. Mayor Aiello added that the landscaper has concerns as to what the work could do to the turf.

Alderman Witte asked if the grant money that was for the stadium is finished and Mayor Aiello stated that the City has \$50,000 from Senator Young's office for the press box. We are currently waiting for a \$150,000 reimbursement on work that has already been done.

Alderman Crawford stated that he sees no funding in Capital Outlay in the stadium account, and questioned where funding is coming from to fix the drainage. Mr. Ring replied that the money is in the sewer budget, and he hopes to have most or all of the work done internally.

Alderman Crawford asked if netting is still on the discussion board, and Mr. Ring replied that it will hopefully be a spring project. Mayor Aiello added that the netting fix is not as easy as what they had originally thought. They are still working on solutions for the problem.

Alderman Crawford stated that, as he had brought up before, people drive down East State Street at what seems like high speeds when there are many people on the sidewalk. He wonders if there is something that can be put in place, like concrete barriers, to protect pedestrians. Mr. Ring stated that this is on his radar; however, his priorities are on West State Street over East State Street at this time. Mayor Aiello stated that they have stopped opening the gate near the roadway all the way in order to help prevent pedestrians from congregating on the sidewalk.

Mr. Ring stated that the landfill line item remains the same. The Council renewed the contract with the sampling company about a month ago and the contract is the same cost as previously.

Water and Sewer Funds

Mr. Ring stated that a significant increase is due to contractual issues in the personnel services line items. His Water Fund budget is down \$1,200 after all line items, not including personnel services. He stated that the office supplies line item is up since the water and sewer billings were split out from the Clerk's budget.

Alderman Andreano stated that she doesn't feel that we should be using water department funds for purchases if we have a loss in the water fund this year. Mr. Ring stated that the projected revenue for this year is at a \$221,000 decrease. The City Auditor can explain this better to the Council. Mayor Aiello mentioned that we have not been reimbursed by the County yet for water bills that were rolled to taxes.

Alderman Andreano stated that she does not feel that we should be using water fund money to purchase vehicles and raising rates at the same time. Alderman Gonzalez stated that at the end of the day, we still need what we are looking to buy. Mayor Aiello stated that a major industrial user has not been running, and this has caused much of the decrease in revenue.

Alderman Andreano stated that a 2% tax increase, plus 3 1/2% increases in each water and sewer, are going to be tough for residents. Mayor Aiello stated that the water and sewer user fees are something that everyone has. Some people don't pay taxes. Alderman Andreano stated that she has not been happy with water and sewer increases since day 1. Mayor Aiello asked the Council to remember that we are experiencing contractual wage increases, and operating expenses are going up. Water rates need to go up to help cover this.

Alderman Crawford asked how long debt service payments will continue on the water treatment plant. Mr. Ring replied that we began payments in 2003, so we are about halfway done.

Alderman Witte questioned why other contracted services in the water administration budget raised from \$1,000 to \$31,000. Mr. Ring replied that this is the 1/3 payment for the backhoe that is to come out of the water fund. Alderman Crawford recommended transferring money from this year's leftover contingency for the payment, as we have not used anything as of yet from the \$758,000 contingency. Mayor Aiello stated that he believed that the plan was to use the current year's contingency in each fund for the backhoe, and he is unsure what the \$30,000 increase is for and if it should be there. He will have a discussion with the City Auditor to figure this out. Mayor Aiello continued that the backhoe should not appear in the tentative budget.

Alderman Crawford asked why there has been nothing spent for meter purchases or maintenance costs this year. Mr. Ring replied that there was just an order placed for a lot of meters that has not hit the budget yet. Generally, users pay for them to be replaced so the City is reimbursed.

Mr. Ring explained that the equipment line item was reduced by \$37,500, and he assumes that a piece of equipment was purchased last year that does not need to be purchased this year.

Alderman Crawford questioned the Capital Outlay line item. Mr. Ring stated that he received a list from the supervisor of water operations. He stated that the supply line on Stardust has valves underground. The tanks cannot be isolated because a valve is broken in between them. We will probably have to have a company come in and investigate in order to find a solution. This has become a priority project.

Alderman Crawford stated that Mr. Ring has done a bang-up job cutting expenditures back. The crux of the issue in the water department is the loss of revenue.

Mr. Ring stated that his budget only increased 2%, not counting personnel services line items. He stated that \$250,000 was budgeted towards the Washington Street water line replacement, and he feels that it should be put back into the budget. He feels that this is the highest priority infrastructure project that we have. There is little to low flow in the hydrants, and putting out

fires could be difficult. Alderman Witte mentioned that during a recent Washington Street fire, lines needed to be run to Sullivan Street. Mr. Ring stated that he recommends we keep the funding in the budget.

Mr. Ring continued that he feels that we should raise water rates 5%, not 3 1/2 %. Alderman George confirmed that this is 1 ½% additional, not 3 ½ plus 5%. Mr. Ring stated that he is correct. He would like the additional 1.5% to cover some of the costs of repairing and replacing the water infrastructure. Alderman Crawford stated that there have been some substantial losses of water through the City that cannot be accounted for. There may be some justification to raise the rates, as the City could see some savings if leaking water lines are eliminated. For all we know, we could be paying to “water the grass” on that street.

Alderman Gonzalez stated that we don’t have any kind of plan for water and sewer rates. He knows that this is hard to do because revenues change, but at some point, he would like to see rate changes become more regular.

Alderman Crawford asked if there is a way to increase customers. Mr. Ring stated that it is a long process, but the City could look into getting more town customers.

Alderman Smith mentioned the \$250,000 DEC requirement. Mr. Ring stated that could have either addressed our infrastructure at a \$22 million cost, or we could address it at the plant, and we chose to address the issue at the plant. The \$250,000 commitment is for the Sewer Master Plan, not water. He feels, though, that we should model a water plan after the Sewer Master Plan. We should invest \$200-\$250,000 into the infrastructure each year. Each year we should try to complete one contracted project and one internal project.

Alderman Smith asked if the decreased are a one time, isolated issue, or if this is continuing. Mr. Ring responded that it could be isolated because of the industrial user that has not been running, but it could also be caused by landlords who have gone from multiple meters in a dwelling to one, which reduces how much water they are paying for and how much revenue we receive.

Alderman Crawford stated that it appears that the water fund balance is at \$800,000. If we were to establish a fund balance policy that requires that we have 15% of our total budget in the fund balance, the amount would need to be around \$550,000. Mayor Aiello mentioned that he likes the idea of a percentage rather than flat rates, as it will fluctuate the amount when budgets change. A flat rate would need to be revisited more often.

Alderman Gonzalez stated that the surplus is not a liquid fund, and he doesn’t know why we need to have it if in the case of emergency we can’t get the money to spend.

Alderman Crawford stated that if we are sitting on \$800,000 and really only need \$550,000, then we have greater flexibility when budgeting. He stated that if we are sitting on too much money in surplus, we can consider pulling money from the fund balance for projects.

Alderman Crawford asked if there are any other critical projects that the Council needs to be aware of at this point. Mr. Ring replied that Washington Street is the most major project, and after that it would be easier to manage updates and replacements with a smaller amount budgeted in Capital Outlay. He feels that the Washington Street project will cost around \$750,000, so what he is asking for is for a portion of the funding.

Alderman Witte stated that, after the budget process is complete, the Council needs to work on a major 5 year capital plan. Alderman Crawford agreed that it needs to get done.

Alderman Smith stated that he can get behind the concept of slowing down rate increases as much as possible. He fears that as rates increase, we will see users decrease how much water they use. Mr. Ring disagreed, as he feels that it will not get much worse. Alderman Smith stated that we can't exactly identify what will happen, so we should tread carefully.

Mr. Ring stated that in the sewer fund, there is a .96% increase in total based on what we are up against with the debt payment. Most of the sewer maintenance budget is for a field crew to address manholes and catch basins for the benefit of the streets. In the operation of the plant, light and power increased \$15,000, and he decreased \$6,200 elsewhere to attempt to counteract this increase. He is working on addressing light and power issues actively to determine why there is an increase, so it could potentially be a lesser increase if issues, if any, are figured out.

Mr. Ring continued that revenue is down, as sewer charges correlate with water usage. It is projected to be down \$190,000.

Alderman Witte stated that she feels that certain numbers in the budget cannot be touched due to debt service payment requirements.

Alderman Andreano stated that she agrees with Alderman Smith. She feels that people will decrease their water consumption if rates go up, and businesses will leave.

Alderman George asked again about pursuing generating more customers, and Mr. Ring stated that the first step is reaching out to towns and villages to see about renegotiating our current agreements. The biggest sticking point in generating more customers is funding the lines. There were discussions in the past, but due to issues with reducing the number of water districts, it always came to a dead end.

Alderman Witte reminded the Council that we need to keep the debt service in mind. This is why we are keeping our fund balance in the sewer fund at a higher level. Alderman Smith added that we need to think about the consent order from the DEC and what ramifications we will see if we do not comply. Mayor Aiello mentioned that we will need to discuss the revenue changes with the City Auditor when he returns.

7:00 p.m. Capital Projects

Rescheduled for Tuesday, March 20, 2018.

5. Approval of Committee Reports

None

6. Adjournment

A motion to adjourn was made by Alderman Crawford, seconded by Alderman Witte. Voice vote, ayes all. Motion carried. Meeting adjourned at approximately 7:45 p.m.