

Minutes of City of Dunkirk Finance Committee held on April 28th, 2014

Present: Councilman Mike Michalski, Chairperson
Councilman Andy Gonzalez, Member
Councilwoman Stephanie Kiyak, Member
Stacy Szukala, City Council
Rich Halas, FAO
Mark Woods, City Treasurer
Guests: Gib Snyder- Observer, Sue Chiappone – Buffalo News

Opening: Chairman Michalski opened the meeting at 4:15pm.

Meeting Content:

Meeting minutes from prior committee meetings (03/10, 03/24 & 04/07) were approved by Gonzalez, with a second from Kiyak.

Proposed Budget Transfers –

- (1) Water purification & pumping: \$2,000 which included emergency repairs & demolishing of building a WTP.
- (2) Recreation Department: \$750 to cover utility bills (electric). Kiyak was concerned about recent price increases in electric and how it would affect other city departments.
- (3) Flags for Memorial Day: \$1,500 for new flags.

Debt Servicing Summary - Halas provided a report regarding all city debt servicing, both current and proposed. The debt limit, as per NYS Constitutional Law, is 7% of full evaluations with a maximum borrowing term of 40 years. 7% of full evaluation in the city of Dunkirk equals a \$22 million debt limit, with water & waste water borrowing being excluded from this figure.

Current debt servicing includes: Boardwalk, Siemens' Energy Performance Contract, WWTP Sewer upgrades, water meter replacement project, and water filtration improvements.

Debt grand total of all three city funds is \$17.7 million.

Proposed debt servicing (all are estimates) includes: Fire Hall \$4-6 million, Sea Wall \$2 million (net of grants), Sea Wall behind WTP \$___?, WWTP Section 9 Energy upgrades \$8.9 million. WTP improvements (consent order) \$21 million. Woods noted the Siemens' projects are partially offset by reimbursement during the year.

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Szukala questioned if we should be even discussing the proposed bonding of projects without having a better grasp of the final costs. Halas explained he was trying to put together a big picture of where the city could be headed and its long term affects on rates (tax/water/sewer) in the future.

Michalski questioned if the city continues to add to its debt totals, will it be perceived as more risky (over extended) to future bonding? Halas stated it depends on the city's financial status at that point in time, while Woods stated such perception may be expressed in a higher borrowing rate.

Szukala stated she would need to know how much each of these projects would affect current tax, water & sewer rates before any bonding/project would be considered/approved by council.

Woods stated a \$1 increase in the tax rate equals approximately \$280,000 in revenue for the city.

Halas felt lease-to- purchase agreements (copy machines, vehicles) should also be added to the overall debt service total, not just bonding projects.

Gonzalez felt it was important for the committee to examine the overall debt picture of the city.

Woods gave an update on his departments' conversion to the KVS system. The goal of the department is to start using the system mid-May/June.

Meeting adjourned 5:05pm.