

Minutes of City of Dunkirk Finance Committee held on February 11th, 2013

Present: Councilman Mike Michalski, Chairperson
Councilwoman Stacy Szukala, Member
Councilwoman-at-Large Stephanie Kiyak, Member
Rich Halas, FAO
Mark Woods, City Treasurer
Guests: Gib Snyder (Observer)

Opening: Chairman Michalski opened the meeting at 4:30pm.

Meeting Content:

Budget Reports for period ending 12/31/2012 were discussed:

Fund I Expenses:

Personnel Dept (115%) – Charlotte Buchanan’s retirement incurred a buyout of sick time.

Fiscal Affairs - Contracted Services (+20,000) – primarily due to Johnson & Mackowiak charges.

Repair & Maint. to vehicles (123.8%) – a **detail report** was requested by Szukala.

Fire Dept. Overtime (180%) – due to reduced staffing. The equipment line finished considerably under budget. Szukala questioned why money saved in Equipment line could not have been used on roof repairs. Kiyak questioned if fire hall could be placed on historic district with roof repairs paid by grant monies.

Senior Sweep – Szukala requested a **detail report**. Waiting for Bill Cease Fund Transfers.

Parks Department - Personnel Services – budget never adjusted due to Tom Razumalski’s non-retirement. More follow-up was requested by Kiyak. Halas recommended waiting until year-end adjustment are completed.

Fireworks – revenues realized on the Dept. of Development side, however city budget realizes the expenses. For 2013, fireworks revenues & expenses will be run entirely through Dept. of Development.

Refuse & Garbage Collection – Szukala will be requesting a report on this department’s activity on Monday’s when recycling is not being picked up.

Fund II Expenses:

Maintenance & Repairs were reviewed.

Fund III Expenses:

Electricity (-\$225,000) – processing reductions, running time of pumps & rate reductions were all contributed to this line coming in under budget.

Woods explained that items were still coming in with respect to closing of the 2012 budget. He was hoping for a May 1st finalizing of the 2012 budget.

Fireworks were again discussed. Woods stated there was \$15k budgeted for 2013, with the remaining monies needing to be raised by the Mayor & the Festivals Committee. Szukala expressed concern if Festivals could meet their fundraising goals given all planned activities for the upcoming year.

There was also the question of since fireworks were going through Festivals (off-shoot of the DLDC), if a resolution even had to come before the Common Council to give the Mayor authority to sign a contract for fireworks. Kiyak felt that given the current state of city finances, we should be looking at a less expensive firework package.

Woods stated there is still a carryover in donations from 2011 located in 2012’s budget of about \$7,900.

Fund I Revenue

Beginning in 2013, Boardwalk lease payments will be reflected in the Fund I revenues.

Restricted Drug Enforcement – Woods stated several programs were eliminated at the county level (SWAT). 2013 budget was \$15,000. **Szukala will inquire about future revenue on this line with Chief Ortolano.**

Marina Property – 2012 payments deferred via council resolution. 2013 payments should be realized in December 2013.

CDBG Reimbursement A – administrative reimbursement.

CHIPS – anticipated revenue. City must show invoices to State once work is completed to realize revenues.

Fund II Revenues

Water Service Charges – water shut off fees, meter removal, meter turned back on etc.

Fund III Revenues

Waste Hauling Fees – removed from budget for 2013.

Sewer Rents 2120-2124 (74%) – \$358,000 budgeted for 2013, \$259,000 actual received in 2012 (difference of \$99,000). **Woods felt discrepancy between actual & budgeted may not be as bad as perceived and will look into numbers.**

City Treasurer's Report:

December 2012 Report

NRG Pilot is half of payment. Other half will come in soon from Chaut. Co. IDA. There was no notification to city on any changes in the scheduled PILOT payments to city.

Shared Studies – revenues from area municipalities (Sheridan, T/ of Dunkirk & Silver Creek) for extending city water supply to Silver Creek.

Repayment of Temporary Loan – money fronted from city for invoice of 4th street project.

Johnson Mackowiak Audit Update:

According to Woods, voucher testing/sampling process testing going well, utility billing, accounts payable, bank reconciliation have all been undergoing scrutiny by auditors.

Inter-fund transfers:

Halas will do required research to determined total scope of fund transfers. The research will start from 2012 and work backwards, covering approximately 20 years of activity. Woods stated the bottom line of the city is not affected. Michalski stressed it was important to have a plan in place to address this issue as per the auditor's recommendations.

Szukala was concern that by having Funds II & III pay back Fund I, it would ultimately lead to water & sewer rate increases and have a negative effect on local industries. Szukala felt cleaning up the paperwork & forgiving the loans would be a better option to address this issue.

Michalski read minutes from a prior meeting with Kevin Wystup stating we could not forgive loans, unless they represented capital improvements. Michalski felt we needed to know the amounts before we can properly develop a repayment plan.

Woods felt ultimately we are just transferring funds back & forth and does not affect the bottom line of the city. Woods also stated he talked to the lead auditor from the State (Melissa) and she said that the city should look at a plan to pay the loans back in actual cash transfers. Woods stated the city does not have to do it that way nor is this the only option, however from the auditor's standpoint, they will recommend the city make an attempt to pay back the loans. Szukala recommended we get another opinion.

Kiyak questioned if the auditors could enforce any action upon the city. Woods answered that the auditors can make recommendations as to paying funds back. Michalski stated that we needed to determine exactly how much money we are talking about before developing a realistic plan to address this issue.

Meeting adjourned 5:45 pm.