

## Minutes of City of Dunkirk Finance Committee held on March 24th, 2014

**Present:** Councilman Mike Michalski, Chairperson

Councilman Andy Gonzalez, Member

Councilwoman Stephanie Kiyak, Member

Councilwoman Stacy Szukala

Rich Halas, FAO

Mark Woods, City Treasurer

A.J. Dolce, Mayor

Guests: Gib Snyder- Observer, Sue Chiappone – Buffalo News

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

### **Meeting Content:**

**Bond Interest Expense:** Woods discussed recent short-term bonding for WTP improvements of \$12.4 million offered by Jefferies Co. at a net interest rate of 0.505%. Halas explained eventually, these projects have to be financed for the long term for 20-30 years. The cost of the entire WTP project may cost a total of \$17-20 million. With long term rates currently around 5%, the annual finance charge would be approximately one million per year. According to Halas, given this increased debt service, the city will have to offset this expense by increasing the number of users. The city has to plan now, especially given the regional water district, for the future.

**Effects of recent Carriage House Announcement** - Woods explained the city did scale down its revenue projections last October in anticipation of reduced production at the Dunkirk facility. A \$175,000 reduction in revenues should be realized between Funds II & III with the plant closing.

Dolce stated he has been in contact with both Carriage House officials and Mayor Stephen Keefe of Fredonia to discuss regional efforts. Halas felt out of the 425 jobs being lost, about half were effecting families residing in Dunkirk.

Kiyak felt that with this announcement and the pending loss of revenues, the improvements slated for the WWTP, may need to be narrowed down & prioritized more effectively. Dolce said there may be a regional approach to our WWTP as well.

**Proposed budget transfer** – WWTP needed a “refrigerated sampler” at a purchase price of \$12,199. \$11K will be transferred from Fund III Capital Projects line to the Equipment line.

**Hill Engineering update** – The Willowbrook Ave. storage tank is 99% complete. WTP upgrades as part of Phase II improvements were given the go ahead and should be completed by May 2015. Phase III WTP projects are set to begin late 2014/early 2015.

**Asset Inventory** – Halas reported progress is being made inventorying various assets of the city by an intern of the city.

**Insurance update** – An RFQ for city’s liability insurance coverage should be issued shortly by the city. Michalski will send Szot an email to issue RFQ.

Szukala questioned Dolce as to additional staffing in city treasures office. Dolce stated that will be considered when KVS system upgrades are being implemented in order to be in sync with training.

**Meeting adjourned 4:45pm.**