

City of Dunkirk Finance Committee Meeting

For

August 25, 2016

Minutes

- Present: Chairman Woloszyn, , Councilman Williams, Councilman Gonzalez, Treasurer Woods, FAO Halas, , Mayor Rosas
- Absent:
- Chairman Woloszyn opened at 4:06pm
- Finance Officer Report
 - \$2.5 million Wastewater Grant - Halas presented committee with info regarding EFC and how the above grant can be used and the strings attached to it. Total wastewater plant job would cost approx. \$10 million, City decided to do just the first 2 bigger parts of the work, which would cost about \$2.5 million. So City would only get 25% of the grant to go towards the smaller \$2.5 million project. But, City is still going out to bond on the full \$7.5 million for the full project (\$10 million - \$2.5 grant = \$7.5 million financing). Woloszyn questioned why is City financing the entire project (\$7.5 million) right away, and beginning to make payments on entire project right away, if we aren't doing some of the work for 2-3-4 years down the road? Halas answered because trying to do all the physical work at the same time within the plant wouldn't be physically possible and still be able to keep the wastewater plant running, so its being done in phases but we need to get the money for it all now. Woloszyn question Mayor Rosas and asked that he was under the impression that the reason for dividing up the projects was to save money and chip away at each over the years, then why are we going out to finance the entire thing now? Williams questioned why this project isn't going through Article 9 funding process. Halas answered simply that Article 9 isnt what everyone thinks and its not a good deal at all.

- Treasurer Report
 - Woods presented committee with monthly income/expense report. Williams asked if we could look at different ways to team up with others to save money on Workers Comp premiums and conversation ensued. Woloszyn questioned the \$170,000 harbor dredging line, Woods stated we are just the pass through for the financing, Halas confirmed everything is finalized for the project and about to be “closed out”.
- Committee Report
 - Councilman Williams questions –
 - #1 - Bank proposals – Woods explained he received a proposal from Key Bank to service our accounts, as First Niagara, which currently does, is becoming Key Bank. He met with LSSL and they declined to make a bid. He has a meeting with Community Bank to see if they want to bid for our services. All other finance institutions in the community are not capable to handle our accounts.
 - #2 - Audit proposals – JMMM Accounting has been doing the City audits for many many years, their current 5 years contract just expired at the end of this audit, and Williams felt it was a good time to go out to bid for the audit services not only to see if we could save some money, but to also have a fresh set of eyes on the finances as well. Woloszyn asked Williams, Rosas and Halas to be part of a subcommittee to do this.
 - #3 - KVS Update deadline – Williams questioned Woods when this will be done. Woods again said he would like to do it but due to his being short staff and training new staff now is not a good time. Williams stated that there always seems to be a reason and will never be a good time. Williams would like to see it done by December 31. Woloszyn asked if the new staff, plus the short staff, plus possible new auditors, plus KVS update would create a “perfect storm” of issues. Woods replied yes, Williams and Rosas disagreed and said problems are going to arise regardless and it would be the perfect time to do the KVS update because then everyone in training could learn together at the same time.

#4 - 2017 Financial snapshot – Woods explained that best case scenario NRG shortfall would be \$500,000, and conversion of Bans and Bonds would create another \$600,000 in fees for next year, which would put us at about \$1.1 million shortfall already for next year. Just those 2 things, not counting anything else. More would be learned during the budget process which is now starting. Williams asked if a 10% cut across the board from all budgets would cover the \$1.1 million, Halas answered yes, BUT, there are many lines we cannot cut from that are fixed expenses, such as salaries, insurances, etc. So the \$1.1 million can only be cut from a much smaller % of the budget.

- Councilman Gonzalez questions – Gonzalez asked Halas where we are currently on the budget and what is our biggest concern on that budget going forward. Halas replied we are below budget for this time of year, in god shape, BUT, warned that that can all change with an early snow fall/winter which can rapidly affect our DPW budget lines.
- Councilman Woloszyn questions – Woloszyn thanked everyone in attendance today and thought it was a really good finance meeting that answered a lot of questions, it was overall a good/productive meeting/conversation.
- Public question/concerns – none
- Motion to Adjourn Gonzalez, 2nd Williams – closed at 5:25pm