

Minutes of City of Dunkirk Finance Committee held on November 10th, 2014

Present: Councilman Mike Michalski, Chairperson
Councilman Andy Gonzalez, Member
Councilman-at-Large Willie Rosas, Member
Stacy Szukala, City Council
William Rivera, City Council
Rich Halas, FAO
Mark Woods, City Treasurer
Al Zurawski, Building Inspector
Guests: Gib Snyder- Observer, Sue Chiappone – Buffalo News

Opening: Chairman Michalski opened the meeting at 6:10pm.

Meeting Content:

Building inspector's copy/scanner request - Zurawski explained the lease for the copy/scanner machine in his department is expiring. The lease is for a 5 year period and is basically the same price as we are currently paying now, with a newer, faster machine with expanded capabilities. The current lease expires December of 2015. Current lease cost is \$226/month plus \$15/month for color copies. The committee recommended a written request from the sales rep. However, Zurawski felt this request could wait until fall of 2015 if need be.

Drug & Alcohol Testing Services – Roger Heyden (not present) provided Michalski with written proposals from three companies willing to provide these services for the city's drug testing requirements. Proposal costs for the year were as follows: American Motor Carrier - \$4,063, Lake Shore - \$3,780, Langford - \$2,570. Emergency after-hours fees for Langford were at zero, which seemed to make the biggest difference in the three presented proposals.

Treasure's Report –

Halas reminded the committee that according to the city audit, revenues was a major issue during 2013.

Woods reviewed revenues for all three funds (as of 11/04/2014), stating we should be at 83% of plan. 15:00

Proposed sewer rate increase:

Szukala questioned why the sewer rate increase discussed at the last Finance committee meeting was not acted upon and where it stands at this point. Michalski stated he had e-mailed city attorney Ron Szot for a status update on the increase and to touch base with Dolce. According to Woods, the Mayor has asked to hold off on the increase until the budget is complete. Szukala also questioned the over-ride of the tax cap, stating Woods had told her it would take finding \$400,000 in the budget to avoid over-riding the tax cap.

Szukala also stated there may be repercussions from a proposed NYS rebate program, if the tax cap over-ride resolution is acted upon. Both Halas & Woods stated the NYS rebate incentive was too preliminary to dictate what action should or should not be taken at this time.

Rosas questioned if Mayor was acting within his authority to delay the sewer rate increase, even though Council wants to act now. Michalski stated that ultimately, the budget is completed by the Mayor and the decision to raise rates (property & sewer) would affect the budget for 2015. Michalski stated that perhaps the decision to go short term on the initial bonding of the \$4.2 million is affording the city more time in determining the proper rate increases. Because of the decision to go initially with short-term financing, no bond payments would be paid out in 2015 since interest on the short term borrowing would be rolled over to long term financing in October 2015 - with payments beginning in 2016.

Proposed Budget Transfers:

\$100 Sanitary Services – supplies

\$250 Wastewater treatment – repair & maintenance to vehicles

\$1,000 General Fund – Building City Hall

\$1,000 Water Distribution System – Contracted Services

\$3,000 Fire Department – Repair & Maintenance of Vehicles – truck E3 needed a fabricated part made.

Change Order Procedures:

Halas presented a change order letter from Gus Maas that involved Fund 15 (Water Filtration Plant improvements) for approximately \$39,000 from STC Construction. Rosas questioned if there were policies in place for change orders? Halas stated there were none he was aware of. Szukala questioned if there was a

contingency for the project? Halas stated there is no contingency for the project. There is a contingency in place for the project's budget, but not included in the project itself. Szukala questioned who approved the change order and where the additional money was coming from? Halas stated it was approved by Dolce & Gugino. Woods recommended the issue should be brought before the city attorney for clarification on change order procedures. Halas recommended any future change orders be brought before the city for approval before any work begins. Gonzalez concurred with Halas, stating his experience with the school board.

Halas recommended sending out an email/memo stated all future change orders need to come before the finance committee for review before any approval is made by the Mayor & department heads. Halas also recommended formal procedures be established.

Over-budget Report:

Total over-budget amount is \$189,000 (Fund I) less pending reimbursements (Chadwick Bay Regional Water District for which the city acts as a pass through). Fund II & III were both in good shape. All three funds combined have a deficit balance of \$220,000.

Budget Drops (as of 08/31/2014):

Goal - 67%

Expenses: Fund I - 72%, Fund II – 72%, Fund III – 69%, Overall (all 3 funds) – 72%

Revenues: Fund I - 76%, Fund II - 69%, Fund III – 87% (includes sewer fines)

Contingencies balances were reviewed next:

Fund I \$39,000, Fund II \$10,000 (originally was \$150,000), Fund III \$24,800 (originally was \$50,000)

Treasurer's Report:

KVS update – Woods reported that no final schedule has been established yet. Original implementation was supposed to be in May. Michalski cited the audit mentioning the need for another staff member to be added to the Treasury department; however the Mayor will not add staffing until KVS system is scheduled for implementation.

Fee review update – Michalski reported the committee will review fees collected by various departments (Youth & Rec, Clerks office, Building Inspector) at an upcoming meeting.

Budget Review Meeting – Szukala brought up how the budget review process should be scheduled. Woods recommended having department heads present. Gonzalez recommended some of the major departments (DPW & Streets) should be included in the process. A one day review session was decided upon.

Meeting adjourned 7:10pm.