FINANCE

Thursday, March 5, 2026 – 5:30 p.m.
Council Chambers – Olean Municipal Building

Present: Members: Chairman McCall, Vice Chairman Crawford, Alderman Bennion, Alderman Keary, Alderman Forney, Alderman Robinson, and Alderman Anastasia. Others: Mayor Amy Sherburne, Jennifer Fairbanks-Black, Chief of Staff; Lens Martial, City Auditor; James Sprague, Director of Public Works; Brad Camp, Water and Sewer Superintendent, and Tiffany Taylor, Managerial Confidential Administrative Secretary.

1. Roll Call

Alderman McCall called the meeting to order at 5:30 p.m. and asked that the record show that all committee members were present.

2. Approval of Minutes of the Previous Committee Meeting (Tuesday, March 3, 2026)

3. Unfinished Business

    a. PL #15-26: (Sherburne) Budget 2026 – 2027.

<u>Water Fund</u>

Mr. Camp explained the 100 line item for Water Purification has a contractual increase, and explained this line also includes the proposed new junior engineer and mechanic positions. He explained these positions are budgeted 1/3 in each fund but only 13% of the fleet is in the water department, so some adjustments can be made to how the positions are divided up. He explained the 102 Overtime budget remained the same, but he feels this line would be better funded at $15,000. Alderman McCall explained with prior usage of this line, she agrees $15,000 would be more appropriate.

Alderman Robinson explained between the junior engineer and mechanic, there is an almost $30,000 increase to Personal Service. He explained if we increase personnel, overtime should go down. Alderman Crawford explained these two positions are technically not personnel in the water fund, and Mr. Camp explained all positions that are split between the funds are split 1/3 in each fund. Alderman Crawford explained it should depend on what jobs they are doing and explained work orders should identify what fund they are working for so salaries are allocated better. Ms. Olson explained she has touched base with the payroll company to see if there is a better way to do this. Alderman Crawford explained we should be able to show what department employee's salaries are coming from based on the job they are doing. Alderman Bennion explained with the two added positions, there is not enough money in the 100 line item for a contractual raise on top of the two positions. He explained he feels the salaries are split into thirds because of how convoluted t can be to track each individual job for payroll purposes. Alderman Robinson explained he understands it is easier for tracking, but they are working disproportionately and charging the funds unfairly. He explained better tracking can give the City a basis to pivot the funds correctly.

Alderman McCall explained she thinks splitting things into thirds is the easiest way, but the goal is to get the actual cost for shared positions and asked if that is something that can be done. Ms. Olson explained the base salary splits into thirds, and they are seeing if there is an easy way to assign overtime to the home department. She explained, otherwise, each department will have to meticulously track their time so that it can be individually assigned when payroll is being done. She explained we are looking into if we can do this. Alderman Crawford explained this seems like the right way to do things, but he does not know if we have the staff to keep track and properly distribute to each cost center. He explained he believes we should leave everything split into thirds since we have a three person office that handles these distributions. Mr. Camp explained the most obvious thing to do for the mechanics is to look at the fleet size and then distribute to each department based on their percentage of the fleet.

Alderman Bennion explained we will have to come back to the 100 line item because the math doesn't work. Mr. Camp explained he has projected the total cost for this year at $814,000. Alderman Crawford explained he feels there is plenty in there at $900,000 as he feels we will come in under $825,000 this year based on actuals so far and in the past.

Alderman McCall explained we need to look at resources and how they are allocated based on what is used by each department. She explained each department utilizes payroll, and certain jobs provide for multiple budget centers. She explained we are trying to allocate for the true costs, and split costs into thirds based on our best assessment at the time and what the software could manage. She explained if we can find a way to do this efficiently in a more accurate manner, it would be great. She explained it sounds based on projections that this line item should be okay, and we can revisit it if more information comes out. Mr. Martial explained there are a lot of positions in the City that can be spread across all three funds. Alderman McCall explained she doesn't think it would change the budget much, but we do need to allocate these resources and shared jobs as much as we can. Alderman Crawford explained not everyone pays property taxes, but everyone pays water and sewer bills. He explained we need to make sure that everyone who works for all three funds is really correctly allocated.

Mr. Camp explained he feels $15,000 would be more in line for the 101 Overtime line and Alderman Crawford asked Mr. Martial to change it. Mr. Camp explained the 102 line can be cut from $5,000 to $4,000 based on usage. He explained the amount in Other Equipment is listed at zero, but in the current fiscal year it is $40,000 and we have used $14,000 so far. He explained he is unsure why the amount in the line is zero. Alderman McCall asked what this is used for and Mr. Camp explained it is used for tools, supplies, and other expenses that do not fall into other categories. He explained we are on par to spend around $21,000 this year so we can cut from $40,000 to $22,000 if the Council would like. Alderman McCall explained the budget shows $10,500 used so far, and considering the last quarter of the prior fiscal year, she estimates we will use about $16,000 this year.

Alderman Bennion asked how Mr. Camp has a spreadsheet that shows numbers that the Council doesn't have while we are working on the budget. Mr. Camp explained his spreadsheet is up to date with expenses that have not reached the Auditor's office yet. Alderman Robinson explained this is where we are getting into internal control issues that we should not have. Alderman Bennion explained the Council just received the new budget this week and asked if $4,000 was spent in two days. Ms. Olson explained vouchers are only processed once a month, so it could have been longer than a two day period that the funds were spent. Alderman McCall explained she thought the Council discussed processing vouchers twice a month, and Mr. Martial explained it was discussed but never acted on. He explained it would cut down work to do this twice a month.

Alderman McCall explained she knows the Mayor is working on something so purchase orders are approved before money is spent to better track finances. Mayor Sherburne explained any spend over $100 requires a purchase order to go to the supervisor and Mr. Martial for approval. She explained their numbers should match and Mr. Martial should be putting this in as a pending purchase until a receipt comes in with a voucher to verify. She explained there should be no internal spreadsheets done on their own. Alderman McCall explained this will help supervisors manage their own budgets. She explained she feels there needs to be some funding in this line. Mr. Camp asked if it should be $22,000 and Alderman McCall agreed.

Mr. Camp explained he decreased Capital Outlay from $250,000 to $200,000, ad explained he does not currently have a plan for this funding. Alderman McCall explained we will be looking at moving funds into capital funds to have a reserve. She explained we are looking into how we handle these capital funds and then will set aside funds so we have them when we have a capital project that needs to be done. She explained until we make these changes, we need to make sure these funds are moved into the capital fund by the end of the fiscal year. Alderman Crawford explained the idea was to create a reserve in case we need to do a major repair or replacement for a water line. Alderman McCall explained the idea is to put the funds into the capital fund for now and then when we figure out reserves, move the funding into a reserve. The Council decided to fund this amount with $250,000, and Alderman McCall explained she doesn't think we should reduce this amount and explained it is important to have contingencies available in the case of a major break in the future. Alderman Crawford explained the City had previously received a WIIA

Grant, and explained we should be applying for these types of grants as we have the match funding set aside.

Mr. Camp explained he proposed $5,000 for Office Supplies and Materials, but that can be reduced to $3,000. He explained Gas and Oil went from $6,000 to $11,000, although he is unsure how that change was made. He explained in the past 12 months that division has used just under $5,000 in fuel. Mr. Martial explained during the DPW presentation, it was discussed dividing the amount for fuel up between the departments. Mayor Sherburne explained it all used to be charged to the City Garage, and we have decided we want the costs distributed correctly between funds. Mr. Camp noted there are four Water and Sewer accounts for gas and oil.

Mr. Camp explained we can probably get away with $3,500 for Uniforms and Protective Clothing. Alderman Robinson explained if the budget is set for a certain amount for uniforms and protective clothing, it should stay at that amount. He explained at any job he has worked he has gotten an allowance for boots and if his boots have worn out before the New Year he has to buy a replacement himself. He explained he can understand if this amount needs to increase due to inflation, but to continuously increase the amount in the line item because we are overspending should not be done. Mr. Camp explained there is an overage because employees need to wear a full face respirator that passes an angle and fit test for changing chlorine gas. He explained if the employee has corrective lenses, they need to have them in the mask to see what they are doing and if they did not before, they do now. Alderman Robinson asked if employees are clean-shaven all year and Mr. Camp explained they are, and explained they have to go through the fit test and maintain the fit to be able to do their jobs. Alderman Robinson asked if PPE would be considered Other Equipment and Mr. Camp explained he put it in the Uniforms and Protective Equipment line because that is what it really is. Alderman McCall explained she feels we need to ensure we allocate enough for annual fit testing, so we need to make sure this amount includes that. Alderman Crawford asked if fit testing needs to be done annually and Mr. Camp explained that anyone who has a full face respirator should be tested annually, but they got lax in water filtration. He explained best practice is to do the fit test annually. Alderman McCall asked if we should change this amount to $3,000, and Alderman Robinson asked it is should be left at $5,000. Mr. Camp explained he feels $3,500 is the floor and $5,000 might be a little high. Mr. Martial explained he changed the amount to $3,500.

Mr. Camp explained Janitorial Supplies can be cut from $2,000 to $1,500, and Alderman Robinson explained he feels it should be more around $1,000. Alderman McCall explained if there is a line item that is used mostly during the last quarter of the year, to let the Council know. Mr. Camp explained janitorial supplies are ordered twice a year, and this can be changed to $1,000. He explained he has spent $142,000 in Chemicals and Lab Supplies to date, with $167,000 budgeted for the current year. He explained he has budgeted $187,000 for next year but he feels this is short and we will actually be in the $210,000 range. He explained this number is highly variable because the amount of chemicals used depends on the river and water quality, and there are a lot of variables on what we might and might not use. Alderman McCall explained if you figure the number we will probably use about $190,000 by the end of the year, and Mr. Camp asked if this should be left at $187,000. Alderman Crawford explained he would change the amount to $190,000.

Mr. Camp explained in the Telephone line they had budgeted $10,000 but have spent nearly $30,000. He explained we had a change in vendor for alarm lines and we went from $800 a month to $5,000 a month in cost. He explained we are working on getting figured out what we are going to do about that, and to put a number on this will be very tough. He explained it should not be long until we get this ironed out, but we don't know what the monthly cost will be. He explained he is comfortable with a budget of $13,000. He explained they are gouging us for using old technology and they want us to update to new technology. Alderman Crawford asked what the timeline is on this, and Mr. Camp explained he was hoping it would be done already but it could be some time while electric and IT work on this. Mr. Volz explained this is for alarm lines and the Electricians are trying to figure out what circuits the alarms can be moved to. Alderman Bennion asked if we have a contracted rate and Mr. Volz explained we have a very old system and the people who set it up are no longer here so it is tricky to figure out what we need to do. Alderman McCall explained this is a discussion for a future Finance Committee agenda and explained she doesn't know what a realistic number should be. Alderman Bennion explained we shouldn't leave the amount at $13,000 in case it is five times that amount, and Mr. Camp explained our total for this year will be around $47,000 by the end of the year. Alderman McCall asked if we should budget $40,000 for next year. Mr. Camp explained we did not know what these costs would be until we got our first bill. Mayor Sherburne explained she found when she first stepped in that we were attempting to switch carriers to get out of a particular carrier that was gouging us, and now it is a concern about being connected to the alarm system and we are worried about severing it without knowing if the electrical portion will be active to support the alarm system. Mr. Volz explained we do now know what the alarm circuits are connected to. He explained the old company strong armed us and said they don't want to support what we have and told us we will pay until we handle it. Alderman McCall asked if this will be fixed in the next six months and Mayor Sherburne responded she hopes it is. Alderman McCall explained she feels we should budget what we had in the prior year's amount, which encourages some movement on the issue.

Mr. Camp explained he has proposed $218,000 under Light and Power, but he projects that we will be closer to $250,000 by the end of the year. Alderman Bennion asked why $218,000 is in the budget if that amount won't get us to the end of this year, and Mr. Camp explained the prior projections were six weeks old. Alderman McCall asked if this Light and Power line will have a corresponding revenue line and Mr. Martial explained it will. Mayor Sherburne explained it is glaringly obvious that there is an issue with internal controls on what has been spent. She explained all of the numbers need to match. She explained we have found some departments naming things differently than the Auditor has, and this is the attempt to straighten this out and find where issues are within departments. She explained we have work to do, and all items need to be accounted for and projected properly. Alderman McCall explained she feels doing vouches twice a month would help keep things more accurate and up-to-date. Alderman Crawford explained this number is too low and explained in reality it should probably be $275,000. Alderman Robinson explained last year we ended at $287,000 so we probably need more like $300,000. Alderman Crawford explained we all agree that $218,000 is not enough, and Alderman McCall asked that $280,000 be put into the line item.

Mr. Camp explained he is asking for $18,000 in Fuel for Heat and noted he does not know where the figure $12,000 came from. He explained he is asking for $50,000 additional in Miscellaneous Contracted Services so an engineering report can be done to investigate the scale at Well Site M38 as we have water issues there due to scaling and need the report to see what chemical additives may be needed. Alderman McCall explained while the Council does not like to see these jumps, they have asked numerous times that these things be added as line items in the budget and she appreciates that it is being done. Alderman Keary asked if a new engineer would be able to do this project to save $50,000, and Mr. Camp explained he doubts it as this is a water chemistry issue. Director Sprague explained this is very specialized engineering that we will need to hire out.

Mr. Camp explained for Repairs to Property and Equipment, he is asking $101,000. He explained the $51,000 increase from last week is for repair at well site M18 which is part of the requirement from the Department of Health sanitary survey. He explained there are two approaches to this issue, and he is nervous to spend the $51,000 as it might not be a fix. He explained he feels when we try to fix something, something else could break, but the new technology to replace the tower costs $400,000. He explained at the minimum we have to do the $50,000 repair, but he can’t guarantee that something else won’t break, leaving us looking at a greater cost. Alderman Crawford asked if this is something a WIIA Grant could cover and Mr. Camp explained it could.

Alderman McCall asked if there are minor repairs that can be done for $55,000 budgeted under Building Repairs. She explained with all of this aging infrastructure, she wonders if we need to build more into the budget. Mr. Camp explained he feels $60,000 would be adequate, and the biggest thing the building needs is a new roof that will cost a lot more than $60,000. Alderman McCall asked where we want to land on in this line item, as there is $55,000 budgeted and we have used $40,000 so far this year. Mr. Camp explained he thought he requested $65,000. He explained he thinks $60,000 is a good number, but if there is $55,000 in the line we can stick with $55,000. Alderman Anastasia asked that this be increased to $60,000.

Mr. Camp explained under Repairs to Auto Equipment, we have $5,000 budgeted this year but have spent $6,600 so far so he has proposed $8,000. He explained he thinks we could squeeze it down to $7,000 if we have to. Alderman Anastasia asked that this be reduced to $7,000 and Alderman Crawford agreed. Mr. Camp explained he kept Travel and Training the same. As training is all over the place. He explained some years we see trainings and some years we don't. He explained this amount is to ensure eight people, including himself, maintain certifications. He explained he asked for $16,000 for lab testing because there is a potential that we may need to do some more lead testing on water samples, but we can reduce this to $14,000. He explained he is proposing $3,000 for Dues and Subscriptions as he has spent $2,900 so far, and generally this is a one and done expense. Alderman Crawford asked what the final total is, and Mr. Martial explained it is $2,053,945.

Mr. Camp explained the 100 line in Transmission and Distribution is increased for contractual reasons. He explained he would like to ask for two summer help in this line. Alderman McCall asked why the budget initially showed $360,000 and now it is $419,000, and Ms. Olson explained two employees had been allocated incorrectly. Alderman McCall asked if proposed summer help are included in this number and Mr. Camp explained they are not. He explained it would be an additional $18,000 for two summer help employees. He explained we haven't had summer help for the last two years, and we really need to get a couple of employees out there to clean up fire hydrants, to get them painted and ensure they are operating properly. He explained we don't necessarily need summer help in sewer, but we do need two in water distribution. Alderman Crawford asked if they could also clean out storm basins, and Mr. Camp explained we have people that do that as part of the sewer maintenance program. Alderman McCall explained this would increase the amount requested to $437,365, and Mr. Camp noted the exact amount for two summer help is $17,920. Alderman Anastasia explained we are already proposing nine summer help in DPW and asked if two of these people can be used. Director Sprague explained we could probably reallocate these positions if we need to get the budget where the number needs to be. Alderman McCall explained with part time positions she wants to ensure that they are given work to do and do not have a lot of down time, as she has heard about in years past. Mayor Sherburne explained she feels we should keep these positions off right now until after her, Director Sprague and Mr. Camp discuss the positions to see what makes sense. Alderman McCall noted that emails have gone around and the Council would be more in support of part time positions than full time.

Mr. Camp explained we have spent $24,000 so far this year in Overtime due to having a lot of water main breaks. He explained he does not think that a budget of $9,000 is very accurate. He explained he wishes this would be enough but he feels $18,000 would be more reasonable. Alderman Robinson explained he feels this is justified, and he questions if this is a department where we should consider adding an employee. Alderman Bennion explained most of this is driven by weekend or after hours water main breaks, and flexing a schedule will not allow one person to handle a break and others will still need to come in on overtime. Alderman Robinson asked how it works when the entire crew comes in for the next day coverage. He asked if we have a way to split the personnel so they don't have an entire crew working overnight and then again the next day shift. Mr. Camp explained he had that conversation with the last administration as it is a big concern for him. He explained it often happens that staff will go home at 3:00 p.m. and get called out at 9:00 p.m. He explained once locates are done it is 11:00 p.m. and they don't get done until 3 or 4 a.m. He explained they then get home and get a few hours of sleep to come in at 7:00 a.m., unless they choose to take the next day off. He explained we do not have a good system to handle main breaks with a smaller staff. Alderman Robinson explained this is a dangerous safety issue for employees. He explained we have to make the numbers work but when Overtime is glaring, we have to start thinking about changing things. He explained he is for part time help, not full time, but seeing this number he would be more inclined to hire full time to reduce overtime. Alderman McCall explained where she works offers a two hour sleep period depending on when they are called out, and we should also consider having a day start later if employees are called out at night. She explained we should give some thought to this and see what makes sense for the safety and well-being of staff, as well as possibly look at what other municipalities do. Alderman Crawford explained he feels there should be a mandatory buffer between when a shift ends and work begins again. Alderman Bennion asked if we have one for snow plow drivers, and Director Sprague explained we try to enforce the 16 hour rule where if you work 16 hours, you have eight hours off before starting again. Alderman McCall asked to include $18,000 for Overtime.

Mr. Camp explained he feels the 102 line should have $3,500 in it, and Ms. Olson explained this line also includes funds for comp buyouts for employees. She explained if employees accumulate more than 100 hours of comp time, they need to either cash it in in May or December, or start taking overtime instead. Mr. Camp explained a lot of the crew is maxed out on comp time so they have to take paid overtime, which is paid from the 101 line. Alderman McCall explained this is more of a liability than just unused vacation time. And comp time is a liability. Mr. Camp explained typically if the employees wanted the pay, they would have taken it initially. He explained if they take it as comp time it is because they would rather have the time off. Alderman McCall asked if $3,500 is adequate for this line, and Ms. Olson explained if each employee cashes in their comp time it would cost approximately $2,100 per employee. Mr. Camp explained the whole point of comp time is to save the City money by giving time off instead of paying overtime. Alderman Bennion asked if comp time can be rolled year to year and Ms. Olson explained it can be. Alderman Bennion explained the high amounts of comp time each employee has might not be from this year and could be several years old. Alderman Crawford asked if it is safe to say personnel save this time to use during the summer and Mr. Camp explained this is correct. He explained he is comfortable with $3,500 to $4,000 in this line item as he does not think they will cash it in. Alderman Crawford asked for $4,000 in this line item.

Mr. Camp explained Other Equipment covers the cost of tools and other things needed that don't fall in other line items. He explained he reduced this to $10,000 based on usage. He explained for Supplies and Materials he proposes $64,000 for next year. He explained this should say Street Materials and is for materials used when repairing the road after main breaks. Alderman Crawford asked if there is any way to change the name of this line and Mr. Martial explained we will have to change the number as well, and he will make this change. Mr. Camp explained Gas and Oil increased due to redistributions from the City Garage. He explained according to the pumps and real data, this division uses about $8,000 per year. He explained the Auditor's spreadsheet has Janitorial at $700 and he recommends keeping it at $500.

Alderman Bennion explained the Council had previously heard about replacements for something that was aging. Mr. Camp explained our brass water meters are getting to be at the end of their battery lives, and we like to keep a few cases of plastic ones so we can change them out when they get near the end of their lives. He explained line 419, Repairs to Equipment, helps to fund this cost. He explained the Telephone line is not affected like the line in Purification, and it was cut in half to $500 for a cell phone. He explained Light and Power may be able to be decreased to $4,000 from $5,500. Alderman McCall explained we do know supply charges have increased, and Alderman Bennion explained it will probably be more around $5,500 with the higher charges. Mr. Camp explained we can leave this line at $5,500.

Mr. Camp explained he is asking for $9,000 in line 444 for leak detection, and $35,000 for the base station unit on top of the Community Bank building that reads all meters. He explained it is at the end of its life and is the last of its type in service that the manufacturer has. He explained whether we leave it in the budget or pull it out as a capital project, it is at the end of its life and needs to be replaced. He explained if this does not work, none of the communication for reading water meters will work. Alderman Bennion asked if the leak detection is something new we are buying and Mr. Camp explained it is. Alderman Bennion asked that this be moved to 220, Other Equipment.

Alderman Crawford explained there have been concerns in the past that once we put an amount in the budget for a one-time thing, it stays in the budget. He explained we lose track of what is an uncommon increase for a project. He explained he feels it is a valid point to put these projects in the budget, but maybe this is where we explore a restricted account. He explained he does not know how to handle this as a best practice. Alderman Bennion suggested we create a restricted fund with a list of what it is for, and then it goes back to zero at the end of the year. He explained this creates accountability. Alderman Keary explained when we have no institutional memory of where the number came from, it becomes the norm. Alderman McCall explained we have been told we should be putting these things in line items, but historically things don't go well when the Council doesn't have control which is why all of the capital projects were started. Alderman Crawford suggested adding a capital project line item that goes back to zero and Alderman Bennion explained this capital improvements line should have a list of what it is restricted to be used for. Alderman Crawford explained every department should have this line. Alderman Robinson explained we should notate or comment on the lines that they reset to zero so when we come back each year we are reminded. Alderman McCall recommended taking $35,000 out and placing it into a separate line, and Alderman Bennion explained we should put it into a new line for Departmental Improvements.

Mr. Camp explained Repairs to Auto Equipment is for specialized equipment, and we have been fortunate to not need much this year. He explained some equipment, especially the backhoe, need work. He explained we can maybe get by with $10,000. Alderman Robinson explained when we replace vehicles we are told repair costs go down, but he is still seeing an increase in repairs. Alderman Bennion asked if there is still a water dump truck with a rotten body, and Mr. Camp explained there is. Alderman Bennion asked if that should be under this line, and Mr. Camp explained we cannot replace the box for under $15,000, and it has evolved to needing a new truck. Alderman McCall suggested leaving this amount at $10,000 until we talk about fleet at a later meeting.

Mr. Volz explained IT Restricted Funding is splitting things between departments. He explained there is a $9,400 increase to start putting money away, which will be discussed more when we go over the IT budget. He explained they have found four of the biggest hitters that have to constantly be replaced are data recovery, exchange licensing, data servers, and Microsoft Office. He explained the estimated amount that should be set aside each year for these is approximately $28,000 which they have split into thirds into each fund. Alderman McCall explained this is what the Council has asked for to ensure needed things are budgeted for. Mr. Volz explained pricing can constantly change with IT things, and they tried to come up with a start for how to do this.

Mr. Camp explained there are new employees who will need travel and training, and he would like to leave this at $5,000. Alderman Crawford asked if this will be recurring or if we should encumber funds from the current budget, and Mr. Camp explained we can encumber some from last year and lower this year if that is what the Council wants to do. He explained anything not used this year will go to the fund balance.

Alderman Crawford asked about Water Fund Contingency, and Mr. Martial explained nothing has been spent to date of the $137,000 budgeted. Alderman Crawford explained this is typically for emergencies but at the end of the year the administration typically comes to the Council with ways to utilize the leftover contingency, such as for the $35,000 transmitter needed. He explained it could be a good use of the funds so he wants to make sure that we talk about this.

He explained he sees there is a reduction and explained in years past $75,000 has been budgeted. Mr. Camp explained he did not know what the Council's thoughts are on the contingency. He explained a true contingency would be 15% of operating expenses minus wages, which would be around $200,000. Alderman Crawford explained he believes ten years ago we had higher amounts in contingency line items, but reduced the amounts to get things to balance. Alderman Bennion asked why $81,000 was included if Mr. Camp knows $200,000 is what should be there, and Mr. Camp explained he did not budget the contingency amount. Mr. Martial explained $81,000 was the amount included to balance out the budget. Alderman Robinson explained he can understand putting $200,000 in the contingency account for emergencies and then letting it roll into the fund balance at the end of the year, but he would have a hard time increasing contingency to this amount just to use it for purchases at the end of the year. He explained this money should roll into the fund balance at the end of the year to keep it healthy. Mr. Martial explained we did not spend contingency funding at the end of last year and it rolled into the fund balance. He asked if we want to fund this with a higher amount this year and Alderman Crawford explained he feels $100,000 makes sense. Alderman Robinson explained we can gradually increase this amount over time.

Alderman Bennion asked about the fund balance and Alderman Crawford explained it is healthy above 15%. Mr. Camp explained 15% is $686,000 and we are at $945,000. Alderman McCall explained we also have a lot of things that we need to fix and we need to build this amount up to have it on hand. Alderman Bennion agreed that with aging infrastructure we should keep this number higher. Alderman Crawford noted we are also accumulating in the capital fund and will have more than half a million at the end of the year. Alderman McCall explained she would support increasing contingency if she knew it would go into fund balance to help with projects, and Mr. Camp explained there are more capital projects that need to be done in water than there are in sewer. Alderman McCall asked that contingency be increased to $100,000.

Alderman Bennion asked about bank service charges, and Alderman McCall explained that we are hoping by June we will be in a place that we will not have to have bank charges. Mayor Sherburne explained we are working on passing along the fee to use credit cards to users. She explained if someone does not want to pay the fee, they can still pay with check or cash. Alderman Bennion asked about the negative amount in this line item and Mr. Martial explained this is revenue from the $1 fee we are charging for current card users. He explained we have to change that this fiscal year because we cannot have revenues and expenses in the same line. Alderman McCall asked if this has been rectified and Mr. Martial explained it has been.

Alderman Bennion asked if debt service is going down with payments coming off and Mr. Martial explained it is. Alderman Bennion asked what the bottom line for the water department is with all of the changes and Mr. Martial explained he will calculate this and get back to the Council.

4. New Referrals for Consideration

None

5. Committee Reports

None

6. Adjournment

A motion to adjourn was made by Alderman McCall, seconded by Alderman Robinson. Voice vote, ayes all. Motion carried. Meeting adjourned at approximately 8:25 p.m.