FINANCE

Tuesday, April 21, 2026 – 6:00 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; Frank Caputo, City Clerk; Lens Martial, City Auditor; Stephanie Olson, Principal Account Clerk; Jennifer Fairbanks-Black, Chief of Staff; Keri Kerper, Community Development Program Coordinator; Gregg Piechota, City Assessor; James Sprague, Director of Public Works; Michael Morgan, City Attorney, and Tiffany Taylor, Managerial Confidential Administrative Secretary.

1. Roll Call

Alderman McCall called the meeting to order at 6:00 p.m. and asked that the record show that all committee members were present.

2. Approval of Minutes of the Previous Committee Meeting (Thursday, March 26, 2026)

A motion to approve the minutes of the March 26, 2026 committee meeting was made by Alderman McCall, seconded by Alderman Robinson. Voice vote, ayes all. Motion carried.

3. Unfinished Business

    a. Budget 2026 – 2027

Alderman McCall presented a list of line items to review. She explained after thinking about the budget process, she feels it should be challenging as we want to do the best for our residents and business owners. She explained she has discussed with the Mayor that some of the Aldermen have worked on a proposal for potential cuts because right now the increase is around 9%. She explained we did choose to move some funds out of the general fund that were being taken from capital funds. She explained the proposal in front of everyone shows the potential savings under each category, and the potential decrease the Council is recommending.

Alderman McCall explained she wants to ensure that the audit expenses include the potential increase for a new auditor, and Ms. Olson advised it has been included. Alderman McCall explained in Central Garage, they would like to reduce Office Equipment and Repairs by $5,000 based on prior usage, and explained the Council was advised this is their tool line item. Mr. Martial made the change. Alderman McCall explained she would like to reduce Tires and Batteries based on the prior year usage, and Director Sprague explained he feels this change is reasonable. Alderman McCall explained between the spending freeze and other various things, she feels we go down to $150,000 in auto repairs based on prior years. Mayor Sherburne explained she feels this is a good start, but we really need to look at the fleet and make an effort to make improvements, as this number is high because we keep fixing old things. She explained the Council needs to realize that we need to make an effort at consolidating our fleet and investing in some vehicles so we can stop repairing our old ones. She explained this is why we see this high number in the budget, because we have so many vehicles to fix. Alderman Bennion explained he feels we still have some wiggle room in this budget, and explained he feels this number is high due to the prior year's tax freeze. Alderman McCall explained the total savings in the Central Garage is $62,000.

Alderman McCall explained the Council recommends a reduction in Professional Services under Special Items to $100,000, where it is currently at $160,000. She explained actuals for last year were significantly higher in the last couple months and did not seem to match up to the overall fiscal year. Mr. Martial explained payroll processing comes from this line, as well as the end of the year audit and other things, and he would not recommend reducing this line. He explained $55,000 of this is for our annual outside audit. Mr. Morgan explained there are also several large union contracts currently being negotiated, which will probably result in an increase from last year in legal expenses. Alderman McCall explained if all litigation is under this line it may be something to reassess, and Mr. Marital explained water and sewer litigation costs are paid out of those budgets from Contracted Services line items. Alderman McCall explained it might make sense to leave this line item as is if it seems there wasn't enough there for everything in prior years, and Alderman Bennion noted we need to ensure we have everything correctly appropriated to each fund. Alderman McCall explained employee relations can be reduced by $10,000 based on prior expenditures, and Mr. Martial explained this was increased due to three union contracts coming due. Mayor Sherburne explained she is comfortable reducing that line by the requested $10,000.

Alderman McCall explained she would like to see unallocated insurance decreased by $10,000. Mr. Martial explained he doesn't know what the premium will be, and we will not find out until June. Ms. Olson explained that line is currently $11,000 over budget. Mayor Sherburne explained she is very wary about decreasing this line. Mr. Martial explained this line is split 70% general fund, and 15% each water and sewer funds. Alderman Crawford asked if this is liability insurance and Mr. Martial explained it is. Alderman McCall explained one of the things we have talked about and have been working on is looking at allocations and making sure things are allocated appropriately. She asked if this allocation is a fair reflection of that and explained as the Mayor gets into these things, they can be assessed if there needs to be a reallocation of expenses.

Alderman McCall explained the recommendation for contingency is to reduce the line from $100,000 to $50,000 She explained we have only expended $356,000 so far this year and we don't often use this line unless we need funds for something that we cannot find elsewhere. She explained they are also asking to decrease the water contingency to $75,000. Mayo Sherburne explained this is used for unforeseen events, but capital outlay can also be used. Alderman McCall asked that the sewer fund contingency be reduced to $75,000 as well.

Alderman McCall explained there is a request to decrease overtime in the Police Department based on the new hires that are coming on. Ms. Olson explained this line item is over budget right now, and Alderman Bennion explained these changes were checked with Chief Richardson and he is comfortable with the changes. Ms. Olson explained if we decrease the 102 line, it will be over budget by the end of the year due to retirements. Alderman McCall explained we will still be below the $200,000 which will give us almost another $60,000 in that line item based on projections. Ms. Olson explained based on the spreadsheet given to her, $256,629.17 is the amount needed in that line not including out of title pay. Alderman Robinson explained we should probably leave that line alone rather than decrease it by $5,000. Alderman McCall explained they are requesting travel and training be decreased by $15,000 because we were able to pay for the academy for several officers out of this year's budget. Mayor Sherburne explained she discussed this with Chief Richardson and there will only be three of the new grant hires sent after June 1st instead of all six. Alderman Anastasia explained he feels if a Department Head recommends we reduce a line item then we should reduce it and go to contingency if we fall short on funding. Alderman McCall explained she would like to prevent that.

Alderman McCall explained the Council would like to decrease maintenance of streets by $25,000 based on prior usage. Mayor Sherburne explained we are sweating it for the end of this season, and explained we are hoping to ramp up streets for repairs. She explained there will be projects that require this line. Director Sprague explained he does not recommend cutting this line, as we can consume all of the asphalt that we can buy this time of year. Alderman Crawford asked if we have CHIPS funding and Director Sprague explained we do. Alderman Crawford asked if that can be used for street repairs, and Director Sprague explained we use the funds for our annual street resurfacing program. He explained this line item is our day-to-day pothole street patching money. Alderman Robinson explained there was a long spending freeze last year and he feels a lot of the year-to-date amounts are skewed due to this. Mayor Sherburne explained costs have gone up, and Director Sprague added asphalt costs are held hostage by the oil market. Alderman Robinson explained if we do lower this line by $25,000 we can use contingency funding. Mayor Sherburne explained we can, but we are also reducing the contingency. Alderman Bennion explained $25,000 is not going to hurt the fund balance if we go to it to pull funds. Director Sprague explained this is a very difficult line to project with any certainty. Alderman Crawford asked what the current CHIPS allowance is and Director Sprague explained it is slightly over $2 million. Alderman McCall asked if we should compromise and only reduce by $12,500 and Alderman Bennion explained we should reduce the line by $25,000 with measures in place and funding elsewhere. He explained you cannot predict this line and none od these numbers are true numbers. He explained when we go over we need to initiate a spending freeze or stay within the lines without ending up in an emergency situation. He explained we also need to ensure we are not wasting supplies. Alderman Crawford explained we also have a zipper that we partially own. Director Sprague explained that is at the Town of Olean right now. Alderman Crawford asked when it was last used, and Director Sprague explained he has not found anyone that remembers using it. Alderman Crawford explained the City helped pay for this equipment, so we should be using it. Director Sprague explained it would be effective for large patches or a parking lot, but not for an entire block of a street. He explained we would need the Town's loader in order to use this piece of equipment. Mayor Sherburne explained we need to work with the Town on this. Alderman McCall asked that this line be reduced by $25,000 and explained we will use contingency funding if we fall short.

Alderman McCall asked that Other Equipment in Youth and Recreation be reduced by $6,000 based on spending so far this year. Alderman Keary explained in his notes, this was for additional equipment for the splash pad, and Ms. Taylor explained during budget discussions this was the one line item the Council agreed could be reduced, if needed. Mayor Sherburne explained we can use leftover project funding for seating, tables, and cabanas for the splash park. Alderman McCall explained the Council would like to reduce the 102 line in Community Development by $5,000 based on usage. Ms. Olson explained that is budgeted for a retirement payment. Ms. Kerper explained she has budgeted to the exact dollar on this line, as she explained during her presentation, and this line cannot be cut. Alderman McCall asked if the travel and training line in Central Electric can be cut from $10,000 to $5,000. Director Sprague explained in addition to what we have spent so far, there is around $3,000 in an unprocessed voucher for an online training subscription. Alderman McCall explained the amount of $5,000, based on this information, would be appropriate.

Alderman Crawford asked about other professional service under special items. He explained there is really nothing that has been spent there year-to-date and he questions if this is a line item that is not necessary. Mr. Martial explained that line is backup for professional service fees. Alderman Crawford explained we have $160,000 in professional services, and Alderman Robinson explained we have additional funding in the water and sewer funds. Alderman Robinson asked if we can take out $5,000 and Alderman Crawford asked that we do. He explained under judgments and claims we budgeted $10,000 while last year we budgeted $5,000. Mr. Martial explained we did not pay out any claims last year but this year we did have some. He explained we do not know how much claims will be, but we have used more than $5,000 which is why he increased this to $10,000. Alderman Crawford asked what this is for and Mr. Martial 4xplained it is for deductibles when there are insurance claims. He explained we don't always have claims and can reduce this if necessary. Alderman Forney explained it seems this line is for very uncommon events, and Alderman Robinson asked if the line should be removed. Mr. Martial explained similar lines were added to the water and sewer funds this year and asked if these should be eliminated as well. Alderman Robinson explained he is not opposed to leaving the minimal balance in all three, but he is also not opposed to dipping into the fund balance if necessary. Alderman McCall explained she does not feel $2,500 will cover anything anyways.

Alderman McCall explained the Council would like to decrease the miscellaneous line item under dispatch. Alderman Bennion explained when he discussed line items with Chief Richardson he was really good about things, and he doesn't know why he would have left this one out. He explained he feels Chief Richardson was very forthcoming with cuts that could be made, and he does not feel comfortable making changes without his approval. Alderman Crawford asked if someone could follow up on this. Alderman Bennion explained he sent a text to Chief Richardson, who advised he is comfortable taking $4,800 out that was for a radio he feels he can get some outside help with getting. Alderman McCall noted that under the ambulance budget, we have used less in travel and training so far than what we are budgeting.

Alderman Bennion explained Chief Maurouard advised overtime can come down by $10,000 for the dire department due to new staff being hired. He explained the 102 line can be reduced by $5,000, line 3620.440 can be reduced by $5,000, and repairs to equipment and property can be reduced by $2,000. Alderman Crawford explained the ambulance billing cost has increased from last year and Ms. Taylor explained this cost is directly related to the increase in ambulance runs. Alderman Crawford explained right now he is trying to figure out why we are budgeting $75,000 when year to date we are at $45,000 and Mr. Martial noted right now we are almost at $52,000.

Alderman McCall explained she calculates the total savings at $239,856. Alderman Crawford explained he would like to look at the tree program and explained we have not used a lot yet year to date. He asked if this can be reduced to $5,000. Alderman McCall explained we have talked about the tree program a number of times, and explained we do have some money left over for ash trees. She explained there are trees at Oak Hill Park and Forness Park that need to come down. Director Sprague explained the trees in Oak Hill Park will come from the ash tree capital fund, while the ones at Forness will come from this line. Alderman McCall explained if we are going to recoup the responsibility for subway trees, we need to keep that in mind if we are decreasing this line item. Alderman Crawford explained he is no on board with that and he feels a 50/50 cost split with property owners for trees in the subway is a fair deal. Ms. Taylor noted we did not spend as much in the current fiscal year because we were without a tree contractor for a good portion of the year. Director Sprague explained we will be addressing multiple trees as soon as the weather breaks. Alderman Bennion explained we also need funds for lifting trees throughout the City. Director Sprague explained he can talk to our contractor, and explained they don't just have to do removals and can do tree pruning as well if we have money in this line.

Alderman McCall explained we are also looking to plant new trees with the funds in this line. Mayor Sherburne explained she will be making an effort on her part to addressing tree issues throughout the City.

Mayor Sherburne explained she was asked if any of the vehicle purchases that were discussed were allocated in this budget, and she explained we have only allocated around $11,000 in this budget for the fleet. She explained the dump truck is tone of the biggest items she is concerned about. She explained we need to be aware when we are cutting the garage budget that we will be looking at things they need down the road. Alderman Bennion asked if we looked at leases, and Mayor Sherburne explained she did look into it, but they do not lease heavy equipment like that to municipalities.

Mr. Piechota asked where we started as opposed to where we are at now. Mr. Martial explained right now revenues are outweighing expenditures, so he needs to adjust the tax rate to balance the budget. Alderman Crawford explained he knows the Fire Chief increased ambulance rates in this budget and asked that he be sent the other rate and fee increases for the past several years. Mr. Martial explained right now the proposed tax increase is 7.21 percent.

Alderman McCall explained Mayor Sherburne proposed taking $123,000 out of different capital funds for a Community Development reserve fund, and asked that $114,000 from the bed tax be used as well to fund tourism. She explained so far we have received $214,654 in bed tax funding this year and have used $104,000, so they would like to earmark the remainder of this and funds from the capital funds. She explained this could go quite a long ways in a reserve for tourism. She asked where the tax rate is if we put the $123,000 back in revenues. Mr. Martial explained the tax increase would be 5.75%. Mayor Sherburne advised the Council that whatever happens in this budget will be carried into the next budget, and it is important to keep that in mind. She explained although we are comfortable with this number, we will be having these conversations again next year. Mr. Piechota noted the tax bills will say there is a 5.35% levy change.

Alderman McCall explained we have already decreased contingency in the water fund to $75,000 and explained the only other change being recommended is to reduce the purification capital outlay from $250,000 to $200,000. Alderman Crawford explained we just recently started doing this to save money for projects and grant matches. Alderman Robinson explained he is alright with whatever the Council decides, and whether or not we want to decrease our savings. He explained the last time we had a line break it cost more than $50,000, and if something comes up a large portion of this could be eaten up quickly. Mayor Sherburne asked if contingency money should have been moved over for things, and Mr. Martial explained we normally just use line items and then go to the contingency fund if it is needed. Mayor Sherburne asked if this is used for infrastructure, and Director Sprague explained once we have a defined capital project, the project package will come to the Council with how much is needed and hopefully it will come from this line. Mayor Sherburne explained there is long list of things that we are required to repair, and Alderman McCall explained we have not expended any of the funds in the current budget so they will be rolling into the capital fund. Alderman Robinson explained with the issues at the well tower it might make more sense to leave that $50,000 in here. Alderman Crawford explained there are significant increases across chemicals, telephone, light and power and fuel for heat, and we have to tighten our belts somewhere. Alderman McCall explained she is hearing the majority of the Council agreeing to reduce this to $200,000.

Alderman Bennion explained water in residential and commercial accounts was equalized, and then it was decided it was aggressive at first to change industrial rates all at once so the changes were phased out. He explained he asked about this four to six weeks ago when the water budget was being discussed. He explained this will affect the revenue side. Ms. Taylor explained right now industrial accounts are 10%, 15%, and 20% discounted from residential and commercial accounts for each tier. Alderman Bennion explained no one really uses the third tier and he feels this can be eliminated. He explained next year he would like these discounts reduced to 0% for the first tier and 10% for the second.

Mr. Martial explained these changes result in a .27% water rate increase.

Alderman McCall explained the contingency account was already reduced in the sewer fund. She explained it is recommended to decrease the sewer maintenance capital outlay by $100,000 to $250,000. Mayor Sherburne explained we are going to be looking at a lot of costs for pump stations and our goal is to make sure these projects happen. She explained we are waiting on DEC recommendations for that project. Alderman Bennion explained some funding was used for projects last year but hopefully with better Intermunicipal Agreements there will be more flexibility in this budget. Director Sprague explained obviously a new agreement with Allegany is going to have a big impact, but we are still waiting on the DEC's engineering report. He explained once we get that he will be coming to talk to the Council with a program that we need to pursue. He explained he does not see this reduction as a negative step right now, as we are not completely eliminating the funding and are honoring our prior requirements of the Order on Consent. He explained he wants the Council to be aware, though, that he will be coming back to them with the engineering report asking for funding. Alderman Bennion explained there are funds left in that line for the current fiscal year, and there is $152,000 in the capital fund from the prior year.

Alderman Bennion explained it is also proposed to take $50,000 out of sewer treatment capital outlay. Director Sprague explained we have not budgeted for repairs to the sewer treatment plant in the past, but it is not new anymore so repairs could be needed. Mayor Sherburne explained she feels it is okay to reduce these amounts as long as the Council is open to discussions about funding after we get the DEC engineering report.

Alderman McCall explained the final change in the sewer fund is to reduce miscellaneous contracted services by $15,000. Mayor Sherburne asked if the Council is comfortable making this change with the upcoming litigation costs, and Alderman Bennion explained he is confident we will get a good Intermunicipal Agreement that will close potential funding gaps.

Mr. Martial explained the sewer rate increase is now 1.08%.

4. New Referrals for Consideration

None

5. Committee Reports

None

6. Adjournment

A motion to adjourn was made by Alderman McCall, seconded by Alderman Bennion. Voice vote, ayes all. Motion carried. Meeting adjourned at approximately 9:05 p.m.