

MAYOR'S PUBLIC HEARING ON THE 2012 BUDGET
November 3, 2011

The public hearing was called to order at 11:00 AM by Mayor Frey.

Present: Councilwoman Szukala

Also Present: Mayor Frey, Fiscal Affairs Officer Curtin, Treasurer Woods, Clerk, Board of Assessors Mleczo, CDBG Program Administrator Gornikiewicz and Police Chief Ortolano.

The public hearing was held for the purpose of giving interested persons an opportunity to comment on Mayor Frey's Proposed 2012 City Budget as follow:

	<u>REVENUE</u>	<u>EXPENDITURES</u>
General	\$14,818,667	\$14,818,667
Water	2,607,000	2,607,000
Wastewater Fund	4,107,000	4,107,000
Capital Projects	-0-	-0-
Totals	\$21,532,667	\$21,532,667
Amount to be raised by taxes	\$4,695,259	
Total Anticipated Tax Rate	\$16.85	
Change from prior year	\$.00	

Mayor Frey stated this budget was initially presented two weeks ago.

Mayor Frey advised Fund I expenses are up \$424,000.00 from last years budget; Contingency is at \$110,000.00, Capital Projects is \$101,000.00 and we are starting to build our reserve funds so future projects can be completed. Mayor Frey advised of uncontrollable rate increases such as Health Care, Pension Fund and Worker's Compensation stating these items increased \$92,000.00, \$248,000.00 and \$31,000.00 respectively, resulting in an overall increase of \$371,000.00 over last year's budget.

Mayor Frey announced the city's work force has been reduced by 20% over the past several years.

Mayor Frey advised he has worked with Fiscal Affairs Officer Curtin and City Treasurer Woods during the last 3-4 years on this budget; this budget is the same budget that was prepared and presented in 2009 and stated "we paid attention to the auditor's advice in 2008 and 2009."

Mayor Frey stated this budget proposes to consolidate the City Clerk's Office with the City Treasurer's Office resulting in a savings of \$40,000.00; the Recreation and Youth Departments will be overseen by the Development Department resulting in a savings of over \$100,000.00; the Parks Department will be overseen by a #912 senior municipal worker and the Senior Center will be overseen by their Board of Directors, saving the city an additional \$40,000.00. Mayor Frey further stated the city will save \$60,000.00 by maintaining a part-time city attorney and advised any non-mandatory travel and training expense will not be funded in this budget.

Mayor Frey advised this Tuesday's ballot will give city residents the opportunity to eliminate two part-time assessor positions; with salary, travel and training expenses the elimination of these two positions will save the city another \$15,000.00.

Mayor Frey advised the city could receive \$125,000.00 to \$150,000.00 in new revenue from the Fire Departments ambulance service.

Mayor Frey stated the firemen's contract ratified several months ago will be the template for which the remaining 3 union contracts will be based upon.

Mayor Frey advised additional capital projects will be funded such as demolitions of housing and the purchase of a new rescue truck.

Mayor Frey spoke in regard to unknown expenses such as fuel, salt, weather and landfill and stated he was notified last week of a significant increase in the costs of chemicals for the waste water treatment plant. Mayor Frey advised the increase in chemical costs was not factored into this year's budget and stated he recently held a meeting with DPW Director Gugino, Wastewater Treatment Plant Supervisor Sean Raynor, Joe Yacklon and a representative from Kemira to find a solution or alternative to reduce our chemical costs.

Mayor Frey advised third quarter sales tax figures were down \$56,000.00 however, \$2,135,000.00 was budgeted and we only need \$41,000.00 to meet this year's budget line. Mayor Frey stated fourth quarter figures from last year were \$555,000.00 and if we are anywhere on target we should have a surplus this year.

Mayor Frey spoke in regard to Fund II – Water Fund and stated there is an increase \$156,000.00 from last years budget; Contingency and Capital Projects both increased \$50,000.00, Health Care increased \$23,000.00, Pension Fund increased \$15,000.00, Worker's Comp. increased \$8,000.00 for a combined total increase of \$46,000.00. Mayor Frey stated there has been an increase in revenue from the installation of the new water meters, and it is that revenue that is actually paying the bond on these meters.

Mayor Frey advised the First Ward Water Project will not be funded in this budget because the project is not completed. Mayor Frey stated there will be a water rate increase in 2013, 2014, and 2015 of \$28.00 per year; broken down results in \$7.00 per quarter, \$2.33 per month, \$.58 per week and stated the city is on target with our consent orders.

Mayor Frey spoke in regard to Fund III – Waste Water indicating there will be a \$63,000.00 reduction in the waste water fund from last years budget; Contingent and Capital Projects are both \$50,000.00, Health Care increased \$23,000.00, Pension Fund increased \$15,000.00 and Worker’s Comp. increased \$8,000.00 resulting in an expense increase of \$46,000.00.

Mayor Frey reiterated our meter sales in our water fund have created additional income for the city; 2011 was a good year but 2010 was a great year in turning Fund I around by a million dollars and Fund II by \$750,000.00. Fund III (Wastewater Fund) had a deficit.

Mayor Frey announced all three funds show revenue balances as of October 31, 2011; this is the first time in many years the wastewater fund has a positive balance and stated over \$300,000.00 has been paid back to the General Fund.

Mayor Frey read an e-mail sent to Joe Yacklon, Industrial Pretreatment Program Coordinator from Dunkirk Specialty Steel, LLC.

“Joe:

You will notice our flows have increased due to increased business which has required me to put on another operator on the afternoon shift at our Waste Water Treatment Plant. Our business is quite strong right now and analysts forecast it to continue or even improve more so this will be the norm for the future.”

Ken Kuwik
Dunkirk Specialty Steel, LLC

Mayor Frey advised there are 3 Union contracts remaining to be settled with the city and if the remaining 3 Unions followed what was accomplished with the firemen’s contract this could result in additional savings to this budget.

Fiscal Affairs Officer Curtin advised he and City Treasurer Woods had a telephone conversation in 2008 with Standard & Poor’s regarding the city’s debt and budgets for 2010, 2011 and 2012 and advised they were impressed with the city’s turnaround. Fiscal Affairs Officer Curtin stated “we do not have anything official back from them, it will take a while longer for our city rating, but it will be very high.”

City Treasurer Woods advised the conference call with Standard & Poor’s lasted about 1 hour, “they evaluated our financial results for the last 3 years, the numbers in the proposed budget for 2012, what our 5 year plan is for the future and as Mr. Curtin said they seemed highly satisfied with past performance, especially in the last 3 years and the proposed performance in next year’s budget and the 3 years to follow for the capital projects that we are facing.”

Mayor Frey reiterated work on this 2012 budget began back in 2008 and all the hard work over the past 3 years is the result of this 2012 budget.

Mayor Frey asked if anyone in attendance had any questions.

PUBLIC COMMENTS:

No one spoke.

Public Hearing closed at 11:16 AM

Tom Mieczko, City Clerk
