

Minutes

Public Facilities Committee

Tuesday, February 20, 2018, 4:00 pm

Gerace Office Building, Mayville, N.Y.

Members Present: Hemmer, Scudder, Nazzaro

Member Absent: Gould, Wilfong

Others: Tampio, Abdella, G. Spanos, Pantelis, S. Zafuto, R. Almeter, P. Rice, Dennison, Crow, Borrello

Chairman Hemmer called the meeting to order @ 4:00 pm.

Approval of Minutes (1/16/18)

MOVED by Legislator Scudder, SECONDED by Legislator Nazzaro to approve the minutes.

Unanimously Carried

Privilege of the Floor

No one chose to speak at this time.

Legislator Nazzaro: I would move that we take resolution #16 out of order so Mr. Pantelis doesn't have to sit through the whole meeting as he has other obligations.

Chairman Hemmer: If that is o.k. with everyone.

Proposed Resolution – Amend 2017 Budget for Year End Reconciliations – Landfill – Environment

Mr. Pantelis: We have a few accounts that we were under budget and a few that were over budget. Like the first one, the depreciable equipment, we put some pick-up trucks from Buildings and Grounds. We usually buy the used trucks from the County so we use them around the landfill. So instead of buying one, there were two available and we bought two. So we were short, \$1,200 there. Contractually, we had some unanticipated repairs at South County Transfer Station. The compactors that compact the waste in the trailers that we load the waste to bring to the landfill, they needed some major repairs. Some steel to replace and that was a \$50,000 item that wasn't planned. In the north County, we (*inaudible*) car, there was another \$6,500 for the hook up to charge the new electric truck at the north County. Diesel prices went up and you are

probably going to see that with everybody else so we were \$20,000 over budget. Leachate generation was \$40,000 extra due to the high rain fall, we generated a lot of leachate at the landfill more than any other year. So all that adds up to \$117 plus. Some major equipment needed repairs. Two major catastrophic problems with the compactor on the landfill. The engine needed to be replaced so we had to send it out. The other one, closed landfills. There was a power pole that has been there for the last 30 years finally came down. It was ours that supplied power to our pump house. We have to replace that in a hurry so that was \$4,700 that drove the budget over. Then the (*inaudible*) with a new truck, we have to depreciate it so the depreciation money wasn't in the budget and that's \$11,000. Actually it was \$18,000 depreciation over five years so that one was under budget or over budget.

Legislator Nazzaro: Why is that under contractual?

Mr. Pantelis: Which one?

Legislator Nazzaro: You said that depreciation.

Mr. Pantelis: The depreciation is under contractual. We buy the equipment and then we depreciate – you expend it over time because it's a capital expense.

Legislator Nazzaro: I'm just saying on the other one, the used truck was depreciable.

Mr. Pantelis: Those ones were smaller. They were small equipment. They go into that category. One truck was \$3,000 and the other was \$3,500 so you couldn't capitalize it. They were not major.

Mrs. Dennison: The depreciation expense use to be in a separate classification in 2016.

Legislator Nazzaro: That is what I thought. That's why I was looking at that.

Mrs. Dennison: It used to be in fixed contractual and now in 2017, we combine the fixed contractual and the contractual into one classification.

Legislator Nazzaro: That is what I was looking for. Thank you.

Mr. Pantelis: O.k. there is \$64.00 for some over time in hazardous waste collection, in the personnel and then the other one, it's the interest for the bond was under funded by \$498.00 somehow. That's usually not in the budget, my budget, number 9710, that one for some reason is under budget but it's not in the budget, my budget. (*Cross talk*). It's in the interest but now, which is fine, I mean, instead of budgeting \$8,531 we budgeted \$8,000, or somebody budgeted \$8,034 so it's short \$498.

Legislator Nazzaro: So it's just short.

Mrs. Dennison: Yeah, it's budgeted by the Finance Department but it is part of the (*cross talk*).

Mr. Pantelis: There was money in the other accounts below and the extra, \$22,000 came out of the extra revenue we had from the sale of recyclables.

Chairman Hemmer: The money that you got out of the decrease in employee benefits and personal services, those lines was that less overtime or how did that - I mean that was just over budgeted or something?

Mr. Pantelis: I had an employee retire and then they took some time to fill the positions and all of that so that provided a cushion.

Legislator Nazzaro: Probably like with anything, somebody else comes in new they might have different coverage.

Mr. Pantelis: Yeah, the high deductible, this or that –

Legislator Nazzaro: You are taking, you're increasing the revenue by \$22,000 for the sale of recyclables, so from the sale of recyclables what is that total number going to be? Sounds like you got more revenue than anticipated so it is really – you are taking a piece of it so is the increase going to be –

Mr. Pantelis: No.

Legislator Nazzaro: More?

Mr. Pantelis: The budget was saying that we were going to make \$50,000 from the sale of recyclables. We did \$132,000.

Legislator Nazzaro: So we made \$82,000.

Mr. Pantelis: We made \$82,950 more. So we took some of that and (*cross talk*).

Legislator Nazzaro: How is that compared to the past? It's way off?

Mr. Pantelis: It's higher.

Legislator Nazzaro: I mean, that's good that we made more money.

Mr. Pantelis: Last year we made \$92,000.

Legislator Nazzaro: It sounds like in 2017 we under budgeted the sale of recyclables? We only budgeted \$50,000.

Mr. Pantelis: When we did the budget, we didn't have the history to see. We changed our operations as far as going to a bunch of markets make them compete to give us the best price instead of giving them to the guys around here. We go to Buffalo and then we have two or three choices to sell our recyclables.

Legislator Nazzaro: For 2018, can you remember what we budgeted? I know this is 2017.

Mrs. Dennison: I'm looking at it now.

Mr. Pantelis: We budgeted \$100,000 based on sixteen. When we do the budget, we look at 16' mainly to do 18' because it's in the beginning of 17' that we do the budget. So we don't have the history.

Legislator Nazzaro: I understand. So it sounds like we're having a uptick in revenue from the recyclables so now maybe (*cross talk*).

Mr. Pantelis: Based on this number, that is what I would put down. Any questions?

Chairman Hemmer: I think that is all for me. Thank you very much. All those in favor?

Unanimously Carried

Proposed Resolution – Confirm Re-Appointment – South & Center Chautauqua Lake Sewer Districts Board

Chairman Hemmer: The new appointee is Thomas Erlandson. Any questions or comments?

Unanimously Carried

Proposed Resolution – Confirm Appointment – North Chautauqua Lake Sewer District Board

Chairman Hemmer: The candidate is David A. Thomas. Any questions or comments?

Unanimously Carried

Proposed Resolution – Amend 2017 Budget for Year End Reconciliations – South & Center Chautauqua Lake Sewer Districts

Chairman Hemmer: Mr. Cummings let me know that he wasn't going to be here today. Anybody have any questions on this?

Mrs. Dennison: I have an amendment to this resolution. You will see this and a couple of other resolutions because we are still making adjustments to the 17' results so the numbers, I won't say they are fluid, but, they do change. So, there was an adjustment of an additional charge to personal services for the South & Center Sewer Districts so we would like to amend the resolution and change the number to 7110.

Legislator Nazzaro: Would that be an amendment by substitution?

Chairman Hemmer: I believe so. Could I have a motion to amend by substitution.

Legislator Nazzaro: I make a motion that we amend by substitution changing the number from \$5,751 to \$7,110.

Legislator Scudder: Second.

Chairman Hemmer: All of favor of the amendment?

Unanimously Carried

Mrs. Dennison: Yes, so the amended resolution is still self-balancing. There is just a small adjustment to personal services for the South & Center Chautauqua Lake Sewer Districts. We were able to self-balance out with the reduction or savings in their contractual categories.

Chairman Hemmer: Is there a lot more left, extra, in the contractual?

Mrs. Dennison: I can check that for you but I believe that there is.

Chairman Hemmer: Does that just go back into their fund because it's all –

Mrs. Dennison: Yes, any overall savings in their budget would stay in the fund for the South & Center Chautauqua Lake Sewer District, yes.

Chairman Hemmer: So if you find more places where you need money, you still have some to balance it.

Mrs. Dennison: The South & Center Sewer District for the contractual, they have a variety of departments but this particular department, their contractual expenses were under budget \$47,722 before this adjustment. So yes, there is an additional surplus in the contractual category, \$47,722.

Chairman Hemmer: That's interesting. Any other questions? All in favor of the resolution as amended?

Unanimously Carried as amended

Proposed Resolution – Close Capital Projects and Amend 2018 Budget – South Chautauqua Lake Sewer District

Mrs. Dennison: As you know with the capital projects we have been trying to close ones that are no longer active. So, I had several conversations with Director Walsh about the two long term capital projects for the South Chautauqua Lake Sewer District and those are projects number 27806 and 27807 and we determined that those both should be closed. Partially because they have not been used extensively in the recent past but also because of a change in the way that we're accounting for work in the sewer districts. So the first one, 27806, that is to restructure sewer lines. The current balance in that capital project is approximately \$1.4 million dollars. We are closing that one with the intention that if there is a major reconstruction of sewer lines in the

future, the district will proposed a new capital project. This project I believe dates from 2010 so we are closing that project due to in activity and as I said, the district will request a new project should they need reconstruction work. The other project 27807, is to replace equipment and it currently has a balance of \$554,527. We determined that that project really no longer fits the definition under tentative capital projects. It has been used for replacing existing equipment rather than improving equipment so what we proposed is to close that project but then add those funds to the operating budget for routine replacement of equipment that will take place during 2018. So, that's why we would be increasing appropriations by \$250,000 for repair work to be done in 18'. That does come from the existing fund balance of the sewer district and it does have a healthy fund balance of approximately \$4 million dollars.

Chairman Hemmer: Thank you very much. Any additional questions on this resolution?

Unanimously Carried

Proposed Resolution – Public Hearing Procedures for the North Chautauqua Lake Sewer District Scale of Charges

Mr. Abdella: The current resolution actually dated to 1979 still made reference to notices being published in the Mayville Sentinel which has not existed for many years. So this resolution would simply confirm that notice would be in the Post Journal alone in the absence of the existing Mayville Sentinel.

Legislator Nazzaro: You don't have to do the Dunkirk Observer or anything?

Mr. Abdella: No, they are just required to publish it in one newspaper.

Chairman Hemmer: Any further questions?

Unanimously Carried

Proposed Resolution – Amend 2017 Budget for Year End Reconciliation – North Chautauqua Lake Sewer District

Mrs. Dennison: This one we have another proposed amendment, to amend by substitution because the financial results have changed since the original resolution was drafted. This one is actually a good news item because some of the expenditures actually decreased with the adjustments so we need a few less adjustments to the budget.

Chairman Hemmer: It looks like personal services; sanitary sewers, we're striking that.

Mrs. Dennison: Correct.

Chairman Hemmer: And the employee benefits in the contractual stays the same and then treatment.

Mrs. Dennison: Personal services for sewage treatment, adjustment is going down to \$2,819 so the total increase in appropriations is now \$19,416. Would you like me to run through the rest of the changes Mr. Chairman?

Chairman Hemmer: Please.

Mrs. Dennison: Under decrease appropriations the first item, personal services-administration, the adjustment now is \$2,032. The second item stays the same and the third item, contractual cost for sewage treatment should be \$12,916 for a total of \$19,416.

Legislator Nazzaro: I will make a motion to amend the resolution by substitution for the changes as presented by our Budget Director.

Chairman Hemmer: Thank you very much Mr. Nazzaro. Do we have a second?

Legislator Scudder: Second.

Chairman Hemmer: All in favor of the changes?

Unanimously Carried

Chairman Hemmer: Any questions about the adjusted resolution?

Mrs. Dennison: The District was, as you can see, is self-balancing. Just has a few adjustments mostly in the employee benefit situation. There was a change in personnel, change in the Director's position so different elections on the benefits than when the budget was prepared. That is the main source of their adjustments.

Chairman Hemmer: Any other questions?

Unanimously Carried as amended

Proposed Resolution – Amend 2017 Budget for Year End Reconciliations – Portland-Pomfret-Dunkirk Sewer District

Mrs. Dennison: There are no amendments to this resolution. Again, the changes are self-balancing within the District. Major source of the change is an increase in the sanitary sewers contractual category. I believe that is due to the contract with the Village of Fredonia.

Chairman Hemmer: We have heard about that.

Mrs. Dennison: So there is an increase in that item. There is also a savings for the District in terms of its debt service. There was a correction to the amount of interest on a note payable to the County so that caused an increase in the savings for the District so those are the interchanges there.

Chairman Hemmer: Very good, thank you. Any questions?

Unanimously Carried

Proposed Resolution – A Resolution Authorizing the Issuance of \$16,888,000 Bonds of the County of Chautauqua, New York, to Pay the Cost of the Design and Construction of an Extension of the South Chautauqua Lake Sewer District in and for said County

Mr. Abdella: You will recall that the Legislature has approved the extension of the districts along the west side of Chautauqua Lake and a public hearing was held. At this point the application of the State Comptroller is still under review but some of the financing deadlines are March 1st and we were notified that some of those financing entities, Environmental Facilities Corporation would like to see us have our bond resolution in place ahead of that deadline so we went ahead and prefiled for February the bond resolution for that purpose. You'll note that it is for the full amount of the project which is \$16,888,000 however, ultimately and it's referenced in Section 2, the proposal was approved based on \$7.5 million in grants which would mean that only \$9.333 million dollars would need to be borrowed. However, bond council recommended that we show the resolution in the full amount because the way that this will play out is, we will be able to make, either by using EFC, I think that is how it would be, EFC in essence buying anticipation notes with no interest, they will allow us to finance the entire project and the grant would be kicked in at the end. But no interest paid along the way so from a cash flow standpoint this is just very beneficial to the County to be able to have someone else advance the cost as they occur and us not have to bear any interest costs. So that is why it's showing \$16,888,0000 instead of the \$9.333 million.

Chairman Hemmer: The \$16,888,000, is that pretty solid number. Is there a possibility that could increase?

Mr. Abdella: That was the amount that the engineers estimated conservatively so that is the number being counted upon to make all of the calculations work.

Chairman Hemmer: Any other questions?

Legislator Nazzaro: *(Inaudible)* next step in the process.

Chairman Hemmer: All in favor of the resolution?

Unanimously Carried

Proposed Resolution – Establishment of Capital Accounts for South & Center Chautauqua Lake Sewer Districts (S&CCLSD) Extension

Mr. Abdella: So hand in hand with the bond resolution this resolution would just simply establish the capital accounts for the project, utilizing the figure of the \$16,888,000 and showing the revenue as being the bond and of course the grants would offset those bonds as well.

Chairman Hemmer: Any questions concerning this resolution?

Unanimously Carried

Proposed Resolution – Resolution of Intent to Acquire Town of North Harmony Sewer District Facilities and Property Interests for the Extension of the South Chautauqua Lake Sewer District

Mr. Abdella: You will probably recall part of the area of the expansion of the district includes existing users within a Town of North Harmony district that will now be absorbed into the County District. Those users are not receiving any benefit of the \$16.8 million dollars in improvements because they're already hooked up but when it was decided to extend the district down the lake, it was thought to make common sense to have this little town district already served by the treatment plant of the South & Center sewer district, be absorbed into the County district. So this would just have the confirms and the State Comptroller asked us to have both the Town and the County at this point pass resolutions of intent by which at the time the improvements are completed and the project is finished, then the Town will turn over to us the existing Town facilities and then they'll all be part of the County district. You will probably recall that currently these users pay the same amount as the users within the existing district. Our notices provide that they would continue to pay the charges that all district users pay for operation and maintenance going forward.

Chairman Hemmer: Thank you for that information. Any questions?

Unanimously Carried

Proposed Resolution – Authorize Agreement for Purchase and Removal of County Owned Timber from Property #9 on Warner Road in Town of North Harmony

Mr. Spanos: Following our timber sales master plan that we developed in 2010-2011, we solicit bids for the reforestation property on Warner Road and we got favorable bids and we would like bid to be awarded to Gutchess.

Chairman Hemmer: That looks good and the money is going to go towards the parks system.

Mr. Spanos: Correct.

Legislator Nazzaro: When was the last time we had timber sales?

Mr. Almeter: We had timber sale on the east side of the County last March.

Chairman Hemmer: Not on this parcel, another parcel.

Mr. Spanos: Right.

Mr. Almeter: One of the reasons this parcel was identified is because of the relatively percentage of white ash and white ash are imminent risk from the emerald ash borers so our forestry consultant took a look at the master plan with an eye towards getting the economic value out of these stance that have significant ash population in trying to get the value out of that timber before the borers kill it.

Chairman Hemmer: So it's not all white ash but that's the majority of it.

Mr. Almeter: It's about a quarter of the harvested timber is white ash.

Chairman Hemmer: Any other questions on this resolution?

Unanimously Carried

Proposed Resolution – Establish Multiyear Parks Capital Improvement Accounts

Mr. Spanos: Mr. Chairman, as we mentioned before the revenue that comes from timber sales is designated for capital improvement to the parks and we believe that creating an account for Parks capital versus having 10 different capital accounts every year created and try to divide all the revenue that we will get from the timber sales, we should create an account that is strictly for Parks capital and we believe that this will streamline our process and simplify the capital projects for parks.

Legislator Nazzaro: So does this include the \$100,000?

Mr. Spanos: You will include the previous balances and the new.

Mr. Almeter: There is the March 17' timber sales, there is this \$100,000 parcel #9 timber sales and I believe there was some left from an earlier timber sale.

Legislator Nazzaro: So this is sort of similar, Kathleen, with what the Sheriff did with the helicopter? I mean, we're creating a separate capital.

Mrs. Dennison: His was just a designation of fund balances.

Legislator Nazzaro: Oh, that's true.

Mrs. Dennison: This is an actual capital project funded by the sale of timber. The intent is that, you establish the project and then when there are capital purchases to be made to benefit the Park's operation, it would draw from this capital project.

Chairman Hemmer: In the capital projects are considered, this is for them to go through, like Parks capital projects will still go through the process of the Planning Committee but it's just that if a capital project is approved for the Parks, it's going to be drawn out of this account rather than the –

Mr. Spanos: Yes, the normal process that we follow for all capital improvements will go through for Parks as well. This is only to simplify of having 10 different accounts and then try to divide the revenue that comes from the timber sales to each account.

Mrs. Dennison: Any capital project requests, the funding would already be established because it would have this funding of \$170,000 available for any future projects.

Legislator Nazzaro: As the purpose, sale of timber, to go back into Parks so now we're identifying that so I'm in support.

Chairman Hemmer: All in favor?

Unanimously Carried

Proposed Resolution – Amend 2017 Budget for Year End Reconciliations – Public Facilities
Transportation Division

Mr. Spanos: I will try to do my best to present a complicated issue with rock salt, mainly, with the B account. It's my understanding that back in 2009 when we changed programs and went from a different program to Soft Works, there was a difference of 3,000 tons that was salt, that was carried year after year and a decision had been made to finally adjust it. So that's about \$185,000. Then there is a very complicated way of having this stock pile account funded and billed so we have made a change to go from having it paid when we use it to charge it up when we purchase the salt and that's about \$503,000 difference. Then the other major (*inaudible*) \$715,000 we used for salt in December alone and if you recall back in October we had made an adjustment of \$250,000 for the budget because we had used the entire account for 2017. Unfortunately the \$250,000 was not sufficient because of the harsh winter that we experienced in December so to make a long story short, \$1.3 million needs to be adjusted. You have to understand the process to really – we purchase salt and then they weight it as they load it at the mine, then we unload it at the shop in the salt sheds that you see around the County and then we push it in with a loader. Now, when you take it out, you weight it on a scale in the back of the loader which is 10% here, 10% there. Then you go out and you plow and you deice the road and then you come back and you unload the salt on the ground and you weight it again on the scale, of the loader. So there is a lot of variances there. Plus we have shared services and we don't really know if everything is recorded so with that in mind we made some changes. We bought a scale that is more sophisticated and each person is supposed to put the right identification under before they use the loader and then we'll know who uses the loader each time. We hope that all these changes that we have made will improve the system.

Legislator Scudder: What really is important is what we bought.

Mr. Spanos: Yes.

Legislator Scudder: I mean, that is the most important number.

Chairman Hemmer: So it's better to change the system so if anybody want it, we buy.

Mr. Spanos: I think that we'll make adjustments at the end of the winter season because I believe there is more salt in the salt sheds left being estimated by looking at the shed. So the best time to do the inventory probably is end of April, beginning of May to the first of November.

Legislator Scudder: You don't actually go in and weigh it, do you?

Mr. Spanos: No, we go in and we take (*inaudible*) and we try to estimate back. Where you store it and you drive the loader on the top, actually compacted it so in a stock pile of salt, the average is about 80,000 per cubic foot. You estimate 80,000, you estimate a load of salt, well, actually it could be 82 or 90 tons per cubic foot if you (*inaudible*).

Legislator Nazzaro: So we're going to - just want to make sure I follow this. We're going to follow a new mythology where we're going as we buy it?

Mr. Spanos: Yes.

Legislator Nazzaro: It's going to hit the expense.

Mr. Spanos: I'm not 100% sure but I believe that some of this salt, right now we have approximately 8,500 tons of salt in the salt shed. I don't know how much of this is from the 2018 budget.

Legislator Nazzaro: So the adjustment to go from like an inventory -

Mr. Spanos: It's effective 1/1/18. That's my understanding, I don't know if -

Mr. Zafuto: That's how the invoices are being processed. (*cross talk*)

Legislator Nazzaro: Beginning in 2018, the new system is when we purchase the salt, is that correct?

Mr. Spanos: Yes.

Legislator Nazzaro: Where before you had a stock pile and you were expensing it when it was loaded on. So the \$500,000 difference, part of this \$1.3 was from -

Mr. Zafuto: Was expensing the salt from what was in the inventory at the time.

Legislator Nazzaro: So the inventory did not match - what was in inventory was due to whatever issues, weighing, things not being logged in, I don't know. The inventory is off half a million dollars.

Mr. Spanos: No.

Mr. Zafuto: There (*inaudible*) inventory balance that could expense (*cross talk*)

Legislator Nazzaro: O.k., you gave three numbers. The \$185,000 is 3000 tons of salt –

Mr. Spanos: There was \$185,000 which was 3,000 tons of salt, then there was the \$500,000 that we (*inaudible*) the salt and then it's \$715,000 that we used extra.

Legislator Nazzaro: Because December was –

Mr. Spanos: Yes, so there is mainly three different numbers.

Legislator Nazzaro: Let's go back to the 3,000 tons. I understand that was again –

Ms. Crow: That was the true up for the inventory.

Legislator Nazzaro: That is the true up for the inventory and the rest is converting at the end of the year or the beginning of 18' you're taking as an expense now what you have left?

Mr. Spanos: What we have in inventory.

Legislator Nazzaro: What we have in stock pile.

Mr. Spanos: Yes.

Ms. Crow: Yes, if that is what that adjustment is. I know that Pierre wanted to talk further about that on Thursday and so if there is some reason we want to not go forward with the recommendation that we, going forward just expense the salt, then we would have to reverse that adjustment.

Mr. Spanos: We could take it from 2018 because that's what is going to be used.

Ms. Crow: Yeah, we could have further discussion and make that adjustment in 2018.

Mr. Spanos: Correct.

Ms. Crow: To kind of make things clean at year end, (*inaudible*) entry. I know that Pierre had a couple of questions on, we are (*cross talk*). I know that other counties do expense their salt purchases rather than inventory it.

Chairman Hemmer: Seems like that would be the better way.

Legislator Nazzaro: Well, you are not going to have adjustments then. I mean, do you lose any control factors here?

Ms. Crow: I don't think so.

Mr. Spanos: At the end of the year, it is what it is. If there is any control – if you want to say that you are not going to have that accountability but you do have it. (*cross talk*)

Ms. Crow: I don't think that we have any less control. I think that our control is about the same. Just because we inventory doesn't mean that there is any more control – somebody still has to be making the entries for delivery and for the sale of and for that use of and so that is not going to change.

Chairman Hemmer: The new scale is hopefully going to help and is the scale in now or is it on order?

Mr. Spanos: The scale is on the loader, yes.

Chairman Hemmer: It's in, it's being used, right now?

Mr. Spanos: It's in Stow, yes.

Chairman Hemmer: Was that a significant amount of money or not?

Mr. Spanos: Eleven thousand.

Legislator Nazzaro: So then I guess, the other side of the coin is, you are decreasing all these other appropriation accounts which seems to be a pretty significant number. I'm just wondering how you are able to do that. I mean, \$900,000 is a big number to be taking out of maintenance and roads so who were we able to have that kind of savings?

Mr. Zafuto: (*Inaudible*) .1's and .8's for charges. We charge his time out to capital in 2017. There was \$367,000 to .1's. We're making so there is more charged to capital. Obviously the .8's all ensued and then we had some other contactor lines that had some large balances left in the (*inaudible*).

Mr. Spanos: If you recall, we received about \$550,000 from extreme weather from New York State which went into capital and we had not budgeted. We had budgeted as maintenance and we ended up doing some (*inaudible*) with our own.

Ms. Crow: They do budget a portion of their wages annually allocated to capital projects and this year it was more than what you had planned for and that is why there was a savings here because it was charged out to capital.

Legislator Nazzaro: So if we had not had (*inaudible*), the savings would had flowed where?

Ms. Crow: To the D fund.

Legislator Nazzaro: I'm sure there will be more discussion in Audit & Control. Thank you for the explanation.

Chairman Hemmer: Anymore questions?

Legislator Nazzaro: I want to say too, I think this is the better way to do it. Record it as we purchase it as opposed to having the inventory system. That should avoid this type of adjustment in the future.

Chairman Hemmer: All in favor of the resolution?

Unanimously Carried

Proposed Resolution - Amend 2017 Budget for Year End Reconciliations – Public Facilities
Road Machinery Division

Mr. Spanos: This is the DM account. The main adjustments are fuel.

Mr. Zafuto: Fuel increase, diesel and gas.

Mr. Spanos: And contractual, having an older fleet. We had to go more out for major repairs. You will see the revenue is also increased that we received from –

Chairman Hemmer: Shared services and (*cross talk*).

Mr. Spanos: As you recall, we budget whatever the fuel prices are in the end of July, beginning of August and in 2017, fuel prices went up and in 2018, they have gone way up.

Chairman Hemmer: Any questions?

Unanimously Carried

Proposed Resolution – Amend 2017 Budget for Year End Reconciliations – Public Facilities

Mr. Spanos: This is for the A account and it includes the Airport, CARTS, and Buildings & Grounds. The airport is not a significant thing, \$400, but the significant is the CARTS where we have together with Chautauqua Opportunities to provide the Mobility Manager and the funding has come through from the State. So you will see a revenue equal amount on the expenses and we just have the Mobility Manager in CARTS and Chautauqua Opportunities pay for their salary. The other one was Buildings & Grounds. That has to do with contractual for the HVAC system. Some major repairs in the (*inaudible*) system in the new section of the Jail. The last one is the Buildings & Grounds, the sale of the South County Office Building. So we had to pay that for the remainder of the year after the sale. The main budget readjustment in Buildings & Grounds account is because we did not know how the sale of the South County Office Building so we had not filled certain positions and that is where you see a significant savings in the personnel.

Legislator Nazzaro: So those are attributable to the South County?

Mr. Spanos: Correct.

Chairman Hemmer: O.k., thank you. Any further questions?

Unanimously Carried

Proposed Resolution – Authorize Supplemental Agreement No. 3 with NYSDOT for PIN 5761.00

Mr. Spanos: This is for the South Main Street bridge in Jamestown. The original agreement with the State did not include all of the construction phases engineering work and the State has approved additional money and also because we had a lot of questions regarding the construction of that project, the design of that project, the original design went over. So this is adjusting the overage during the design phase in the additional needs during construction inspection engineering.

Legislator Nazzaro: So Mr. Spanos, at the end of the day, we're still paying 5%?

Mr. Spanos: Yes.

Legislator Nazzaro: So that bridge is about \$200,000 to the County.

Mr. Spanos: Yes.

Legislator Nazzaro: And that will be starting when?

Mr. Spanos: Well, the project has started.

Legislator Nazzaro: I drive over it all the time but I'm just saying when will that be open?

Mr. Spanos: Hopefully by September or October. It all depends on the weather. It was supposed to start 3 weeks ago but because of the high water the lake, it took an extra two weeks to lower the water in Chautauqua Lake so they just started.

Chairman Hemmer: Any other questions?

Unanimously Carried

Proposed Resolution - Authorize Lease Agreement with Celebration Hall, LLC for Office Space for the Public Defender Office - Family Court Division

Mr. Rice: We are expanding our office into this space currently occupied by Office for the Aging. Office for the Aging is moving over to the school and they are taking over the space that our Family Court Division occupies now. So what we are trying to do is move our Family Court Division downstairs in the Celebration Hall which is located adjacent to Family Court.

Mr. Abdella: Just to clarify, I think it's Mental Hygiene.

Mr. Rice: Right, I'm sorry, Mental Hygiene.

Chairman Hemmer: I think that we talked about this last month, didn't we?

Legislator Nazzaro: Yeah, it was all part of the overall plan.

Chairman Hemmer: Any questions?

Unanimously Carried

Proposed Resolution – Approving SEQRA Determination for New Fuel Farm at Dunkirk Airport

Mr. Spanos: As you will recall last September, we were faced with an unexpected situation where the FBO terminated the agreement for the Dunkirk Airport and since then we have tried to be able to provide, continue aviation service at the Dunkirk Airport and at the end of the lease agreement, we let the two proceed with leasing the underground fuel tank from Dunkirk Aviation and then the beginning of February, we terminated the lease for Hangar #8 with the FBO and we solicited a new RFP for an FBO. I think this is a request to install an aboveground fuel system to supplement our operations and our request for proposals for a new FBO. So this is very much to approve the SEQRA for an aboveground fuel farm at the Dunkirk Airport for two different fuel services that we will provide.

Chairman Hemmer: Two different fuel services?

Mr. Spanos: (*Cross talk*) jet fuel.

County Executive Borrello: If I could just jump in here. One of the things that I am big on is really aggressively marketing the Dunkirk Airport as an affordable alternative to the Buffalo-Niagara International Airport for general aviation for (*inaudible*) private planes come in. We already have people that come out to Dunkirk for that reason. We were recently awarded a large grant to rebuild one of the hangars so that we can actually accommodate more modern aircraft because right now I think the one that was there was built for biplanes. I wish I was kidding but on top of that, we have an aging underground fuel system. One of the things that this project would also include in addition to a new fuel system which will help us attract a better and likely more lucrative contract with the FBO, would also be the ability for 24 hour self-service fueling for prop-planes. Not for jet fueling. But the majority of planes that fly in and out of Dunkirk are prop-planes. So this would give people the ability to – encourage them to want to use our facilities because under the previous FBO unless it was during business hours you couldn't fuel your airplane So now we can have someone if you wanted to take an early morning flight or they come in late at night, they can literally swipe a card like you do at a gas station and fuel your aircraft. These are all steps that we want to take to make this a better more attractive airport that hopefully will be more profitable because now you are only 35 miles from Buffalo at a much cheaper fuel price. In fact, I think our fuel prices are roughly what, a \$1.00 a gallon cheaper than the Buffalo airport?

Mr. Almeter; They are. (*Cross talk*)

County Executive Borrello: So we're still making money at that so this will be a more attractive place for people to base their aircraft in the Buffalo area.

Legislator Scudder: So are you saying that somebody can at 2:00 in the morning can fly into Dunkirk, get gas, and fly out?

Mr. Almeter: In a prop aircraft.

County Executive Borrello: Yeah. They would have to be flying in on instruments.

Chairman Hemmer: Well, I was going to say, could you actually fly into Dunkirk, I don't think that they can.

County Executive Borrello: No, you can. If you are operating on what's called DFR or excuse me, IFR, that if you are flying in on instruments you can certainly come in the middle of night.

Mr. Barmore: You can (*inaudible*) 24 hours a day. It's never cloudy at Dunkirk.

County Executive Borrello: Why thank you, it's always sunny in Dunkirk. So this would be a great opportunity for us to improve services and attract a wider audience of people with their airplanes based in Chautauqua County. We already have good reasons. You can save money on sales tax if your plane is registered here versus Erie County and based here. We're going to have a brand new hangar and now we'll have a better, more convenient way to fuel your aircraft at a cheaper price. So we want to make ourselves more attractive.

Legislator Nazzaro: Part of it is, we're going to market this place so people know about it?

County Executive Borrello: Yes, part of the plan to aggressively market and this is nothing new in the sense that we – kind of learned this from our visit to Dutchess County. Don McCord was with us and they have done an excellent job of marketing themselves. Dutchess County is very similar to Chautauqua County. They live in the shadow of New York City, very much like we live in the shadow of Buffalo. They lost a major employer, IBM, 20,000 jobs that utilized that airport also and so they kind of had to reinvent themselves and remarket themselves. They have done a very good job of marketing their airport as an affordable alternative to New York City area airports. They are 90 miles from New York City and we're only 35 miles from Buffalo so it's a model that's worked successfully in other counties.

Chairman Hemmer: All in favor of the resolution?

Unanimously Carried

Proposed Resolution – A Resolution Authorizing the Issuance of \$650,000 Bonds of the County of Chautauqua, New York, to Pay the Cost of the Design and Construction of a Fuel Farm at the Dunkirk Airport in and for Said County

Chairman Hemmer: Do you have any further information? I think you talked through it all, didn't you? Any other questions or concerns about this?

Legislator Nazzaro: So there is not any grants available or anything to offset any of this that we could apply for?

Mr. Almeter: We've made inquiries to both the FAA, EPA, New York State DEC and New York State Aviation and there is no grant available for this type of investment.

Chairman Hemmer: How long - do you have a projection on how long it will take to pay that off, what is it a (*cross talk*)..

Mr. Almeter: Well, \$2.00 gallon on the jet and we make what, \$1.30 a gallon on our current margins. The last two years, of course, we have been in the retail fuel sales business going on four months now so we don't have a lot of comparable data but based on the two previous years of sales under Dunkirk Aviation's operation, they averaged around 23,000 gallons a year and aviation gas and 46-48,000 gallons per year of jet A(?). Based on those, if we can sustain that rate of fuel sales and we haven't lost any jets, we lost a little bit of a prop business that we hope to get back with new customers, we expect to have a or project a net revenue of fuel sales of about \$110,000 a year.

County Executive Borrello: That's by increasing the prop plane fuel, correct?

Mr. Almeter: That's keeping the current margins, current level of turnover (*cross talk*).

County Executive Borrello: But if we have the self-service thing, it stands to reason that we would have an opportunity to increase our sales.

Mr. Almeter: Oh yeah. The self-service, it all works together. You were trying to explain that, we have room for another 20 airplanes, based aircraft at Dunkirk if we can, with our available hangars, not counting Hangar 3, if we have an attractive value equation for the airport, we hope to bring in more based aircrafts which means more hangar rental in addition to more fuel sales. We've got to try and put together – create a value equation that makes is work for the general aviation community and the business aviation community.

Chairman Hemmer: I know that we've talked for a lot of years about trying to get the airports to not be a drain on the County budget. I always felt that our county airports were just that and nothing positive for the County budget. I guess that is my opinion of the County airports.

County Executive Borrello: We can look at them as the asset they are and the uniqueness that we have to market ourselves as an affordable alternative. I think that is the key to being profitable..

Legislator Nazzaro: I think it's a step in the right direction. I mean, it's unfortunate what happened with the FBO but now we have the opportunity to do this aboveground fuel farm, hopefully increase the traffic, reduce the subsidy to the County and hopefully attract a new FBO for the future. So, you have my support. Thank you.

Chairman Hemmer: Any other questions or comments?

Unanimously Carried

Proposed Resolution – Establishment of Capital Accounts for New Fuel Farm at Dunkirk Airport

Chairman Hemmer: This is just a budget thing, right?

Mr. Almeter: Yes.

Chairman Hemmer: And you are taking the \$650,000 from the bonds. Do you have any idea of what the bonds are going to cost us?

Mr. Spanos: No sir.

Ms. Crow: Generally we projected in the past about \$25,000 per million so it will be less than that. We do have other capital improvements to borrow for so you will be seeing some other authorization request and we would expect to bundle them together at once.

Legislator Nazzaro: That is what I was going to ask.

Chairman Hemmer: All in favor of establishing the capital accounts for the new fuel farm?

Unanimously Carried

Proposed Resolution – Authorizing the Sale of Curtis Street Residential Property Owned by JCC

Mr. Abdella: This property which actually includes a total of 50 acres was acquired not to many years ago. It has been found that the house portion of the property and surrounding acreage is really not needed or suitable for the college use. They did have offices in it for a period of time and that just did not work so what they are proposing to do is sell the house and eight acres, retain the 42 acres and do so at a sale price of not less than \$300,000. The County did contribute one quarter of the purchase price of the 50 acres with the house so what we will do is, presuming the house gets sold, we will come back to the Legislature as far as the disposition of that one

quarter proceeds of the sale and get your approval as to that. But this just give them authority to go ahead with the sale and then we will come back to you if and when a sale occurs to address the proceeds.

Legislator Nazzaro: This has already been voted on by JCC correct?

Mr. Abdella: Yes. So the JCC Board has voted to do this, Jamestown City Council, I think they will be next week and then the Cattaraugus County Legislature is the other sponsor, is the same night as our Legislature.

Chairman Hemmer: Cattaraugus County has a portion of it too? Contributed a portion?

Mr. Abdella: They did not. It was State monies, Foundation monies and then Chautauqua County monies which is the usual pattern of one half State aid, one quarter JCC Foundation and one quarter Chautauqua County. The sponsor whose County the improvement is taking place, so improvements to the Olean campus, Cattaraugus makes the contribution there but all sponsors still have to approve sales and purchases of property even if they are not contributing funds to it.

Legislator Nazzaro: You did say that we get – the County gets – whatever it sells for, you get 25% back? How does that work?

Mr. Abdella: That is why we will come back for your approval on as far as whether it comes back to the County or you authorize JCC to use it for some other purpose.

Legislator Nazzaro: Originally, we had put up 25%?

Mr. Abdella: Yes you did.

Legislator Nazzaro: It would make sense that it would come back, in my opinion.

Chairman Hemmer: Any other discussion or questions about this resolution?

Unanimously Carried

Discussion – Development of Roberts Road Properties – Steve Abdella, County Attorney

Mr. Abdella: I know that there was a discussion item. I just, looking at the clock, let me just check with the County Executive, but maybe we'll postpone that one to allow the second committee to go forward.

Chairman Hemmer: O.k., that sounds pretty reasonable to me.

Mr. Abdella; Yes, we'll postpone that to a later date.

Other

Chairman Hemmer: O.k. Is there any other other to come before the Public Facilities committee? Seeing none, motion to adjourn.

Legislator Nazzaro: So move.

Legislator Scudder: Second.

Unanimously Carried 5:27 p.m.)

Respectfully submitted and transcribed,
Kathy K. Tampio, Clerk/Lori J. Foster, Deputy Clerk/Secretary to the Legislature