

Minutes

Public Facilities Committee

**November 9, 2020, 4:00 p.m.**

**Virtual Meeting via Zoom and Live-Streamed for public viewing**

Gerace Office Building, Mayville, N.Y.

Members Present: Hemmer, Gould, Nazzaro, Scudder

Member Absent: Davis

Others: Tampio, Ames, Dennison, Bentley, Chagnon, Abdella

Chairman Hemmer called the meeting to order at 4:03 p.m.

Approval of Minutes (10/19/20)

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

*Unanimously Carried*

Privilege of the Floor

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Proposed Resolution – Amend Resolution 148-20 –Authorizing Landfill Renewable Natural Gas (RNG) Agreements with Chautauqua Green Energy LLC (CGE)

County Attorney Abdella: (*Recorder malfunction*)... a very unique project and we knew at the time we entered into it that the entity that would be financing Chautauqua Green Energy would be the New York State Energy Research and Development Authority, NYSERDA, and their financing division called Green Bank. They were at a point in the project where permits are expected in the next few months or completion of getting all of the permits but the CGE would like to move forward with certain aspects of the project including making orders for equipment and other things that have a long lead time. The bank, at this point, who we have to understand, really for all practical purposes NYSERDA is a partner with the County in this transaction is the reality of it, is willing to go ahead and start making advances but it has to meet their financing criteria. So to the extent that the permits are not actually in hand yet, they just need assurance that if for some reason whatever that might be, that the project didn't go forward, that they have security for these advances that they would make. So what they've asked is that we modify this first paragraph of resolution 148-20 to state that the project would be completed within the

earlier of 24 months from the receipt of the necessary permits or within 84 months of execution of the lease agreement. The 84 months, that is the worst scenario where for some reason the RNG plant could not move forward and CGE was left with instead operating the existing electricity plant. This is the period and time where NYSERDA feels they would be paid off and the County would still be able to be paid its lease payments. So, it's just another wrinkle in the financing progression but as stated in the resolution, we feel that the permits should be routine that this allows the project to move forward now and sooner without waiting for those to be obtained.

Chairman Hemmer: Any questions?

Legislator Nazzaro: I believe I know the answer to this but I want to make sure, Steve, in no way does this delay any payments that the County are to receive? The payment schedule to the County will be the same?

County Attorney Abdella: That's right. The payment obligation remains the same and frankly, at least, especially in the short term enhances their cash flow to ensure that those payments will be made. They made two payments thus far on schedule, a total of \$375,000 but by yearend that would be scheduled to be an additional \$625,000 for a total of \$1 million in calendar year 2020.

Chairman Hemmer: That's sounds good. So this really doesn't speed anything up, it just changes the wording to make NYSERDA happy?

County Attorney Abdella: Well, it allows these advances to occur and not be delayed by a waiting DEC permit changes or otherwise. This was not contemplated as a delay item during the summer but we're viewing this as a desire to facilitate the project moving forward in a timely manner and keeping the County's lease payments timely. So we are cooperative with this request from the bank.

Chairman Hemmer: Any further questions?

*Unanimously Carried*

Proposed Resolution - Amend Capital Project Accounts Due to Fleet Management Services  
(Chautauqua County Airport at Dunkirk)

Mr. Bentley: There is a lot of numbers on this page but it's actually very easy one. Before I get into the details here, I do want to confirm that we continue to work with Enterprise on our leasing program and we actually just ordered 7 new vehicles as replacements for our vehicles that we started leasing in 2019. Again, we're going to be, capital appreciation on those leases, about \$34,000 over the four years so those numbers will be rolled into the actual lower lease payments for those vehicles. So given that we've had (*inaudible*) concept on this leasing program with Enterprise, we want to continue this so this resolution and the next one I'll be talking about is basically a continuation of leasing vehicles that we would normally otherwise purchase outright. So the resolution that we're talking about right now, is actually for a F250

with a plow for the Dunkirk Airport. There is an approved capital project for \$39,000. The way this works is, and Kathleen is going to correct me when I say it wrong, the \$39,000 is in capital and that gets returned to the capital reserve so that is the decrease in the use of fund balance. We also decrease the appropriations account for the interfund transfers because that is how that money got there in the first place. Decrease the capital revenue account for \$39,000 and we decreased the capital appropriations account by \$39,000. So it kind of gets returned to capital. This now becomes a lease operating expense so the increase the use of the fund balance is to pay for that first 10 months of the operating expense, the \$6,554, so we also then would increase the appropriations account by that same amount. So a lot of changes for just trying to lease but that's basically taking money that is in capital and returning it and putting in to the operating expense. Then we would have this reoccurring operating expense going forward. Did I say that right Kathleen?

Mrs. Dennison: Yes you did Brad but I just realized one thing as you were going through all the details which everything was perfect but I probably should have added in the resolution the clause to close the capital project because I'm just checking now, that project, we're removing all of the revenue and all of the expense and we're not going to do it, so, we actually need a clause in there to close that project. So, I could possibly add that, I mean, we could possibly to an amendment today and I could do the verbiage and have that consideration for the Audit & Control Committee on Thursday.

Mr. Bentley: I guess I will add under the \$6,554 that is based on a real quote from Enterprise for the actual truck and plow itself but it is prorated for delivery I think starting March 1<sup>st</sup>. I think it's a 10 month, 2021 lease cost because that's – the approximate delivery times, if I were to order it the day after the legislative approval of this resolution.

Legislator Nazzaro: So when is it going to be delivered?

Mr. Bentley: Well, I can't order it until I have legislative approval to change the money around.

Legislator Nazzaro: So why would we be increasing the use of fund balance now then if it's not going to be leased until 2021 or am I misunderstanding?

Mr. Bentley: We're making a change to the 2021 adopted budget.

Legislator Nazzaro: Oh, o.k., this is the 2021. I was thinking 2020 and just to point out, it's right in there, it's very clear, but just to point out, we're decreasing the use of the reserve for capital but we're increasing the use of the undesignated fund balance, which is fine. But, one is capital and the other is operating.

Mr. Bentley: Right and this is how we did the lease vehicles in 2019 as well.

Clerk Tampio: In regards to Kathleen's comments, is it really necessary to put in there to close the capital project now or could that be done in a later resolution where you're closing other capital projects?

Mrs. Dennison: Thank you for asking that Kathy. Yes, it could be done with a later resolution or the other comment I was going to add was that we don't have to close that capital project. It's in the future, we thought maybe we were going to have a similar project to buy a truck from the airport with capital funds. We can leave the project there and would not have any revenue or appropriation budget so, I guess there are two options. One is to amend the resolution now to close it, well, three options actually. Amend the resolution to close it, include the closure in another resolution because you are correct Kathy, as we get through the yearend process for 2020, we will be evaluating all the capital projects and closing probably a half a dozen or so and the third option is to leave it open in the event we might use it in the future. I think your suggestion, option number two is probably the best. Leave this resolution alone and then we'll close it if we think it's appropriate as you go through the yearend process.

Chairman Hemmer: That's the one that I like.

Legislator Nazzaro: I like that.

Legislator Gould: Sounds good to me.

Legislator Nazzaro: I have a questions. Going back to what Brad said, in the one RESOLVED, it says following amendments to the 2020 adopted budget, so should that be 2021?

Chairman Hemmer: Oh yea, I see it. The first paragraph?

Mrs. Dennison: The first RESOLVED clause, those are adjustments that we can make now because we're saying right now we want to take the appropriation out of that capital project.

Legislator Nazzaro: Right, I agree with that.

Mrs. Dennison: I would recommend that we do that now because we don't want that appropriation rolling into 2021 and we don't want it out there to be used because we're not going to use it to buy a vehicle. So, that's why we suggested to make the changes in 2020 to immediately remove the appropriation from that capital project. But then we don't adjust the expenses into 2021 because we're not spending any money this year, we're going to spend it next year.

Legislator Nazzaro: So just curious then, I understand the 2020 capital budget, you're adjusting that but then why are we increasing the use of fund balance in 2020 then?

Mrs. Dennison: The use of unobligated fund balance is in 2021.

Legislator Nazzaro: So shouldn't that second RESOLVED say 2021?

Mrs. Dennison: It does, I'm sorry, the third one does.

Mr. Bentley: The second one is for the capital accounts which would be a 2020 capital project.

Legislator Nazzaro: That's a WHEREAS – I'm just saying in the RESOLVED, that the Director of Finance is authorized and directed to make the following amendments to the 2020 adopted budget. Oh, I see what you are doing. Then hidden in there, maybe I should get better glasses, right? That in the 2021 – o.k., alright, it took me awhile, the light bulb came on.

Mr. Bentley: Well, between me and Kathleen it took us a while to put this together. We're not saying we're perfect but it did take us a while to even know how to do it.

Legislator Nazzaro: I got it.

Mrs. Dennison: Maybe it would be clearer if in the first RESOLVED clause it said that in 2020, the reserve for capital be adjusted as follows. So then we have the year at each RESOLVED clause. That might make it a little clearer.

Legislator Nazzaro: I think it's clear now once you look at it.

Chairman Hemmer: The first WHEREAS talks about the 2020 capital budget and then the RESOLVED I guess has to do with that.

Mrs. Dennison: The first two RESOLVES are, do it now in 2020 and the second two are make the changes in 2021.

Chairman Hemmer: O.k., any other questions? Brad, this appears to be working this year but we can still, as Kathleen said, we can still get out of this if it doesn't work in the future, right, and go back to buying vehicles? How long are we tied into this?

Mr. Bentley: This is a four year lease and at any time during the four years, if our capital appreciation on the vehicle exceeds our book value, if you will, we can turn that lease in. We have to hold it for at least one year but if in year two or three, if the hot truck market continues, because we buy these vehicles at such a low price on the State contract bid, it's really a combination of two things. We buy low and there is a really strong market right now, so even when we're buying low and the truck market may tail off a little bit, we may still be in a very favorable position where even if we net just a little bit, we can turn it in and get a brand new vehicle, we save on vehicle maintenance, wear and tear, tires, so, even at a net zero turn in, we have extended warranties, we get a new vehicles, it's a program I was curious to see how the pilot turned out and maybe we have some favorable events but, I can't deny the results right now.

Chairman Hemmer: Sure sounds good. If there are no other comments, all in favor?

*Unanimously Carried*

Proposed Resolution - Amend Capital Project Accounts Due to Fleet Management Services  
(DPF Large Equipment)

Mr. Bentley: The last one if for the Dunkirk Airport. This is for the Highway Division and for those that remember, there is a \$2.1 million dollars of money allocated towards the purchase of large vehicles and light vehicles. When we're looking at the light vehicles, we've identified 5 vehicles that are in need of replacement and we believe this lease program that we just talked about would make an excellent option to replace these vehicles. They are also trucks, they're three F250 and two F150. The amount that would go back is \$142,000 and how that is calculated is basically Enterprise gives us the capitalized purchase price that if we were to have to go out there and buy them, that's how much we would have paid so that's how much I'm returning to the capital reserve but also applies for the prior ones. That is the same methodology that we used in prior years as well. So we got the quote from Enterprise and used that capital vehicle cost. It wasn't just a number that we picked out in thin air, it was actually based on Enterprise's quote values. So again, we see the entries for returning the reserve for capital and you see the four transactions there for 2020 and then in 2021, we would increase the use of the fund balance to adjust for the \$29,583 of expected lease payments and these would be starting March 1<sup>st</sup>, so 10 months in 2021. Again, this would be a recurring cost that would be in 2021, 2022, but obviously for 2022, it would be a full year so it would be slightly higher. You see the interfund transfer on the second page as well as the increase appropriations to the road machinery. Then you also increase the revenue account to pay for those increased appropriations. Any questions?

Chairman Hemmer: Not from me, anyone else?

Mrs. Dennison: If I could just make a comment. It kind of comes back to what Mr. Nazzaro was saying earlier. Is that this benefits the reserve for capital, you could say that it is a detriment to the unobligated fund balance because instead of using the reserve for capital we're using fund balance, but, over time, there is a chance that there will be some benefits to the unobligated fund balance as well because right now, we're funding a lot of this heavy machinery by borrowing so if we're doing less purchases, capital purchases, we would need less borrowing and that is a benefit that comes back into the regular fund balance. We don't have to borrow, there is less interest and that kind of thing. So it is a use of fund balance right now but over time, we maintain the reserve for capital but also get some financial benefits in the general fund as well.

Chairman Hemmer: Sounds good all around. Any further questions or clarifications?

*Unanimously Carried*

Other

Chairman Hemmer: Is there anything under "other"?

Clerk Tampio: I just wanted to let you know regarding the Privilege of the Floor portion of your agenda that I received no public comments to be read.

Chairman Hemmer: O.k., I skipped right over that. Sorry. That then completes the business of the committee unless -

Mrs. Dennison: I have something under “other” and I apologize we did not send it to you in advance, but just more of a discussion item. Brad, Kitty, and I have been talking about a possible resolution to amend salaries in the Engineering and Parks Departments. Those departments are currently over budget because we are allocating less money to capital projects. We have elected or at this point, decided not to do an amendment to the salary budgets for Engineering and Parks because at this time, we don’t know what the final picture is going to look like. We know that those departments are currently over budget but there may be savings in other areas of DPF or we may have to recoup that savings – I mean, if we did the resolution now, we would probably be using fund balance but we’re hoping that they’ll be some savings either within DPF or with another department that can balance those departments. So we didn’t want to present a resolution that was using fund balance at this time. I just wanted to make the committee aware that that is the situation. As we discussed earlier this year and with putting capital projects on pause, that created a situation where there would not be as much work done in the Engineering area – not as much work done by the Engineers that (*inaudible*) capital improvements.

Chairman Hemmer: This is all 2020 budget?

Mrs. Dennison: Correct.

Chairman Hemmer: And it’s Engineering and Parks but we’re hoping there will be enough on the yearend reconciliation to make it right.

Mrs. Dennison: We hope so. We can plan to move in that direction as long as we can.

Mr. Bentley: A couple of the projects that got deferred was the Mayville parking lot. That was a big one, repaving, resurfacing, sidewalks, because we were planning on doing a bunch of that in-house with our crews and have our Engineering folks be the lead on that. Then in the Parks, it’s really the Luensman bathroom. As you know, the Parks through the summer, most of the summer they were closed and then when we opened them, we maintained the park with the bathroom being closed. So there really was no impetus to keep that project going when the bathrooms were actually closed or replace those bathrooms. So, we’ll reevaluate and see what that looks like next year.

Chairman Hemmer: Thank you for that additional input. Glad you’re thinking ahead about it. Anything else under “other”?

MOVED by Legislator Gould, SECONDED by Legislator Scudder to adjourn.

*Unanimously Carried (4:32 p.m.)*

Respectfully submitted and transcribed,  
Kathy Tampio, Clerk/Olivia Ames, Deputy Clerk/Lori J. Foster, Sr. Stenographer