

Minutes

Public Facilities Committee

July 15, 2019, 4:00 pm

Gerace Office Building, Mayville, N.Y.

Members Present: Hemmer , Wilfong, Gould, Scudder, Nazzaro

Others: Ames, Dennison, Cummings, Almeter, Tampio, Perry, Bentley

Chairman Hemmer called the meeting to order at 4:00 p.m.

Approval of Minutes (06/17/19)

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.

Proposed Resolution – Authorization for County to Apply for Grants on Behalf of North Chautauqua Lake Sewer District and Portland-Pomfret-Dunkirk Sewer District for Inflow and Infiltration (I&I) Studies

Mr. Cummings: Scott Cummings from the Sewer District and this is Randall Perry from the Chautauqua Lake Alliance that is working with us. He's got a map showing what we're going to be doing with the I&I study for the North Chautauqua Lake Sewer District. I just want to talk about that one first. In the green area, that is what we're going to call the proposed Orchard Terrace I&I study. It's the next phase. We're in the process of doing the Chautauqua Shores I&I study now. They have done most of the study and they just have to start putting the report together, so we're still waiting for that report. But our next phase for next year will be this proposed Orchard Terrace I&I study. We're looking to apply for a \$30,000 grant which will ask for a 20% match from the District. At this point, the Board has approved to provide those matching funds for this proposed grant. So that is what we're looking to do. If we are successful in getting this grant for this study, it will have looked at all of our District south of the Chautauqua Institution. So for those flows that come from our District into the Institution or the Chautauqua Utility District plant, we really need to reduce those flows to cut that cost down because that cost is just so high right now. So that is the reason for this next study area to be done.

Legislator Gould: What is I&I stand for?

Mr. Cummings: Inflow and Infiltration. It's to try and reduce the ground water coming into the system that doesn't need to be pumped or treated. That is where our cost is so high. So we're hoping to reduce our pump hours, reduce our energy costs, and reduce the treatment cost to Chautauqua Utility District, is the main reason for the North District study to come out.

Chairman Hemmer: This is going to find leaks and then what is the cure?

Mr. Cummings: Once we get an official report from the engineers on where the problem areas are and an estimation of the cost to do those repairs, our next step would be to go out and get grant monies to help cover part of the cost for those repairs. And then an engineering proposal on how to fix those and go from there. It's a step process and it's going to take a couple of years to go through this. This is the first step to get our Legislature's approval to go ahead and apply for these grants.

Chairman Hemmer: And grants are available?

Mr. Cummings: Maybe Randall has a little more information on that.

Mr. Perry: The grant program that is being approached for this particular I&I study, actually both of them, the North Chautauqua Lake Sewer District, Orchard Terrace, and also the Portland-Pomfret-Dunkirk. The engineering planning grant program is administered by the Environmental Facilities Corporation and the Department of Environmental Conservation. I&I is a very key component of that program so they are generally very supportive of this type of under taking to not only do the study but then also have an avenue to seek additional funds via ESC or DEC to actually do something about it. So that is why it's a nice kind of, step by step system just the way Scott described it. So the State has a step by step funding arm as well.

Chairman Hemmer: So these are State funds?

Mr. Cummings: Yes. So we have two I&I studies that are planned. One again is for the North District, the Orchard Terrace, and one for the PPD Sewer District also, along Lake Erie. For that one, we're having Barton & Loguidice Engineering firm doing that grant application for us and then the Alliance is doing the one along Chautauqua Lake because the North District is a member of their Association, so, they are doing it for us. But those are the two I&I studies that are in the resolution. One for North and one for PPD. We need to reduce the flows over there also to help cut our costs down to the Village of Fredonia because that is also quite high.

Chairman Hemmer: Any questions?

Unanimously Carried

Proposed Resolution – Amend Resolution 125-19

Chairman Hemmer: This all concerns the Harrison Street bridge over the Chadakoin.

Mr. Bentley: This may sound familiar because I brought you this last month and it was 100% funded Federal project. While we got the bid in and the bid came in \$256,000 more than what was originally funded by the Federal, 100%, so we talk to the New York State folks and they are going to give us the additional \$256,000 with some local share attached to it. The local share, I believe, is \$64,000 out of that \$256,000. Let me just say that these are, in my world, I think these are conservative estimates. We're going to actually work to lower the costs so at the end of the day, we may not need that much. This is kind of early on in the process. We always look for opportunities to self-perform work so we're going to work with the contractor to try and do that to get that down. I've already had a couple of conversations with Lex Brumagin, my bridge engineer, to identify areas where we can save some money. I think this is the worst case scenario and by the time we get down with it, this money may not be needed. But, in the case of right now, this instant, we have a bid that is above the bid for the Federal project. In order to keep it going, this is the official step but, please be aware that I'm working towards minimizing those extra dollars so our local share will be less than that \$64,000 as well.

Chairman Hemmer: Good.

Legislator Nazzaro: So does this negatively affect, because you are taking out of the other County bridges, is anything going to be – you say, you probably won't need this but is this taking any other bridge that was slated for repair?

Mr. Bentley: It's not replacing any other bridge project because we do have money in there. We're in the process right now, as we've talked about in the past, we're trying to allocate the dollars specifically to bridge projects. Until we get to that point where everything is allocated, then maybe that question would apply but right now we're still in the process of taking the dollars and matching up to a project as we go along here. Nothing specific and in the grand scheme of things, it's not a lot of money that, \$64,000, for the bridges. It's a lot of money but in consideration of those big projects, it's not something that is going to take anything off the books.

Chairman Hemmer: Any other questions concerning this proposed resolution?

Unanimously Carried

Proposed Resolution – Authorize Agreement to Extend Interim FBO Services at the Dunkirk Airport

Mr. Bentley: The agreement expired at the end of June so we're looking basically to extend it 6 months. We've been put on notice by Lou Nalbhone that he's looking to get out of the Jamestown airport as well. We're trying to package together the FBO as a total, between Dunkirk and Jamestown and (*inaudible*) goes along with the essential air service proposal that went to the Legislature last month. So this is all kind of going hand in hand. This is just to get us through this time period, work till things get finalized and settled out. CREDC has agreed to do this reluctantly. It's a fair term for them. (*cross talk*)... willing accepted this interim 6 months. I think Mark is on vacation. This is the right thing to do until we get some answer on the stuff that is going on right now.

Chairman Hemmer: And the performance so far is good? How are they doing?

Mr. Almeter: We have not received a P&L from CREDC for the FBO operations since January but just looking at the revenue side of the equation, we have very good – much better revenue forecast this year than we did last year under the CREDC operation of the FBO. I don't have the numbers right in front of me. We've had fuel sales of over 40,000 gallons of fuel so far this year which is midpoint through the year and we've sold about 75% of the fuel we sold last year. We've had 50 jet operations for the months of May and June, we're at full occupancy on the hangars so our monthly revenue between fuel sales, at about 20,000 gallons per month and hangar rents at about \$12,000 a month. We're looking at gross revenues on the order of \$120,000 a month right now. Now there is cost of sales for the fuel and the operating expenses but we're running a very lean staff over there. We got basically one full time person, seven days a week over there.

Legislator Gould: That was my next question. Is CREDC around all the time?

Mr. Almeter: Normal operating hours are 8 to 5, seven days a week. If we have a particularly non-flying day, foggy day or rainy day, they won't come in, they won't charge the time, they will just put the voicemail message on and they can call in. There are a few occasions where we have to come in and refuel after hours. But those are covered with a call-in fee that we recover from the aircraft pilot. Since April, business has been and again, I don't have the P&L, but I know our revenues are far in excess of our expenses for the last three months.

Mr. Bentley: The reason for that I think, is CREDC's bookkeeper is on maternity leave, or has been.

Chairman Hemmer: Yes, from the –

Mr. Bentley: Airport Commission.

Chairman Hemmer: Not from the Airport Commission, from IDA. That is where the bookkeeper is.

Mr. Bentley: I think that is one of the reasons why we've haven't received anything yet.

Chairman Hemmer: Part of it, I'm sure.

Mr. Bentley: We're running a lean staff and maternity leave.

Chairman Hemmer: Any questions on this one?

Legislator Nazzaro: It says in the resolution here in the WHEREAS, we have had no proposals received, inquiries. So when we are putting it out, are you doing both airports now or you are doing – you said, it looks like they want to pull out of Jamestown.

Mr. Bentley: I don't think that we've put anything as a package yet.

Mr. Almeter: No, we put out solicitations for the Dunkirk airport twice last year and we received no creditable responses. This year we've taken a slightly different approach due to a couple of factors. One of which is, we know that the Jamestown FBO will not be renewed or will not be extended and will expire in January. So, we have started a source selection process. Initial event was a interested parties meeting. We sent out invitations, we posted on some of the trade journals and we had a number of interested parties come to an informational meeting. We got their input. The next step is to send out a qualification solicitation. We'll receive non-financial qualifications proposals from the interested parties, we'll evaluate those on the basis of their wherewithal (*inaudible*) operate and then sit down and negotiate a contract with one or more qualified parties. Just basis on the dialogue and the individuals, organizations that have stepped forward, I think we have two parties, if they are interested, will be qualified.

Legislator Nazzaro: So the Nalbhone's, they are done at the end of the year?

Mr. Almeter: January.

Legislator Scudder: Is that at the end of the contract or are they leaving us before the contract is over?

Mr. Almeter: They are exercising an exit clause in the contract.

Legislator Scudder: That's a nice way of saying it. Then why are they doing it?

Mr. Almeter: Because we don't have – (*inaudible*) we do not have a commercial airline and the revenue that comes with the commercial airline. I think there is more to it than that but, that's the explanation that they offered the Airport Commission.

Mr. Bentley: I will concur with that. I think there is more to it.

Legislator Nazzaro: So this may be a sensitive question but I have to ask it. If we don't find an FBO, they pull out, (*inaudible*), but what happens – doesn't that hurt our efforts to get EAS reinstated?

Mr. Bentley: Having an FBO, I don't know if that helps to hurts or be honest with you, from my standpoint. Ron might say something different but I'll say that there are County run airports throughout New York State so it's not, (*inaudible*) County run airport. The benefit to that is, if you get an FBO, they are looking for profits so for the County to run it, we can run it at cost. There is not that extra profit margin.

Legislator Nazzaro: You don't have like he has like mechanics and things like that so, I think it's more attractive to have at the airport just as we're building the service air crafts as needed. That's my opinion.

Mr. Almeter: An important clarification here, detail that isn't in the resolution. Jamestown Aviation is exercising their rights within their lease operating agreement to exit the contract for the FBO. They have a separate lease agreement for Jamestown Avionics and Chautauqua Aircraft sales. They have indicated, Lou Nalbhone, has indicated that he intends to retain those leases or continue to operate those businesses at the airport. So, the Nalbhone's won't

be leaving the Jamestown airport in its entirety. In fact, the mechanics and the staff for Jamestown Avionics will stay. The FBO lease will be terminated.

Legislator Nazzaro: That makes sense and thank you for the clarification because that is what I thought was going to happen but I'm glad you stated that.

Mr. Almeter: The concern that you expressed about, how does this present – what is the perception and what is the reality, I suppose of our ability to attract and to host a commercial airline with either a County or government FBO operation or some other lease operator. They're risks and opportunities in the these developments. One of the reasons that Southern Airways Express looked for ways to draw down their presences here was the perceived cost of operation. They were paying a long dollar for de-icing service, they were paying for hangar service even though they weren't using it. Under the terms of their agreement with Jamestown Aviation, they had to pay for a hangar whether they put an airplane there or not. Well, they pulled their airplane out within a month of signing their EAS agreement so they had this expense that was giving them no benefit. So we have an opportunity in writing a new lease for the new lease operator, whether it be the County or the IDA or private enterprise, to get it right so that nobody is getting -

Legislator Nazzaro: Make it more business friendly.

Mr. Almeter: Make it more business friendly, right. We know that in order to attract and retain the airline, we have to present a manageable airport overhead cost for them. If we try to squeeze money out of them for hangar services or de-icing services, they won't be able to make a go of it any better than Southern was able to. So, I see more opportunity than risk really at the moment.

Legislator Scudder: Would anybody, do you think, come in interested in the FBO and want those other two pieces of the puzzle also? And if they do, would we be able to give them the whole enchilada rather than part of the -

Mr. Almeter: The short answer Mr. Scudder would be yes. We would be able to give them the whole enchilada. The way the FAA grant assurance regulations, create a framework under which we have to operate the airport in order to receive these capital grants. Some of those assurances deal with FBO operations. We cannot enter into an agreement with anybody at the airport that gives them a monopoly over any business line. Whether it be avionics or fuel sales, or hangar rents, we have to ensure fair and open competition for any competent party. Right now the way the lease is structured for Jamestown Avionics is, the way that lease is structured is, they kind of have a monopoly. We need to fix that lease. It's not going to be hard to do because, I don't believe, because I think we're in a strong position visa vi Jamestown Avionics and Lou Nalbhone right now. As a practical matter, in order for a business to come in, a private enterprise to come in and operate the FBO, they have to have a critical mass of business services. They can't just be the fuel salesman or just the hangar guy so the parties – I mentioned there were a couple of parties that have expressed interest. It's not practical for someone to come in and try to displace Jamestown Avionics. They have a very strong market presence in their niche which is cockpit avionics but some of the other business lines that the private sector parties are interested in bringing are the flight school, the airframe repair, the annual inspections which is a pretty big

revenue stream, we have that capability over in Dunkirk. So, if they bring the skill sets and have the capital to deliver those types of services, we're going to write a lease that allows them to achieve the economies of scale and a service portfolio that will make them successful.

Legislator Nazzaro: Could you actually have two aviation –

Mr. Almeter: We did at one time in Jamestown, two FBO's. It's going to come in the next resolution.

Chairman Hemmer: Any other questions concerning this resolution?

Carried w/ Scudder voting "no"

Proposed Resolution – Acceptance of Funds from NYSDOT for the Rehabilitate Hangar C (NYSDOT/Aviation Grant Program) at the Chautauqua County/Jamestown Airport

Legislator Gould: Is this the one with the bad door on it?

Mr. Almeter: One of the ones with the bad door.

Mr. Bentley: This is the one that's a bird sanctuary.

Mr. Almeter: The Legislature previously approved a New York State grant for the replacement of the hangar door on the Jamestown Aviation hangar. That was last January that was brought to the Legislature committee in December. You tabled it and eventually approved it and accepted it in January. This is the other FBO hangar. Hangar C is over off Turner Road, it's not on the main runway flight line. It was formally a FBO operated by United Refinery, that subsidiary. It was sold to, you might recall, if it was the City or the County acquired it before the airport was transferred to the County. The County acquired it for a dollar. It was a large jet hangar. United Jet Center, UJAC. That was a jet hangar and it fell into disrepair, the hangar door was one of the primary casualties. They replaced it with a fabric hangar door that apparently operated with kind of a spotty reliability for a number of years and then that finally failed entirely. So it's not had a functioning hangar door and it's been exposed to the elements. It has bad installation, all deteriorated, the lighting is only partially operational, some of the sheet metal along the sill plate is rusted out. But structurally it's in good shape. It has a couple of minor leaks in the metal roof. The roof doesn't need to be replaced, it's largely intact. So we put it in for a New York State Department of Transportation grant last year with a business case that if we rehabilitate it, we can use it as a rental property for a locally based jet or a transient jet. We got the grant offer and we're at the point where we can accept that grant.

Legislator Gould: Are they standing in line to rent it when you get it fixed?

Mr. Almeter: We have transient aircraft that are anxious to use it during the summer months as a transient base of operation. I believe that we have discussed in this forum the limitations on the airport overall in jet operations during the winter months. Primarily the length of the runway. So, I can't say in good faith that we have candidate jet operators who would base

here because if they want to fly year round, they have to take their airplane to a different airport. But we do have transiting aircraft who routinely ask for hangar accommodations. In some cases it's a day or two, some cases it's two or three weeks at a stretch. I should be clear that we can operate jets in the winter time but not the larger jets.

Legislator Nazzaro: Has this been before us before?

Mr. Almeter: Yes. When we brought our capital program to the committee, our five year capital program, we included this on that five year capital program even though it's not an FAA project and doesn't have to be listed in the FAA five year program. We brought it to the committee and to the full Legislature to gain concurrence to apply for the grant. Now we're back before the committee and the Legislature to accept the grant.

Legislator Nazzaro: So we have applied for the grant. It's been approved based on the Legislature's accepting it.

Mr. Almeter: Predicated on the Legislature accepting it, yes.

Legislator Nazzaro: Currently this is not being used at all, this hangar?

Mr. Almeter: It's not being used for an aircraft. We made good use of it over the years to store Sheriff's boats and at one time we had the Sheriff's helicopter in there but it hasn't been used for its intended purpose.

Mr. Bentley: The non-FAA uses.

Mr. Almeter: In probably 15 years.

Legislator Nazzaro: I have a question for Kathleen. We have a match obviously, the local share is \$171,960 and then in one of the WHEREAS's, some of the local share contribution can be in the form of in-kind. Then when I flip over and look at what we're going to do here as far as the accounting side, it does say that we're increasing the use of reserve for capital, which bothers me, but then we have another below, increase appropriation, transfer for the same amount and we're increasing the revenue account. So those two offset. The increase in appropriation and increase in revenue. So are we actually – it says some of the amount is in-kind, how much is some?

Legislator Scudder: Or is it down to that amount because of the in-kind services?

Mr. Almeter: It depends. We've approached this the same way we approached hangar 3 in Dunkirk. The extent to which the airport workforce and the DPF workforce and self-perform some of the restoration work, we will do that under (*inaudible*) account. So that will be out of our operating budget but it can be shown to the State as part of our in-kind local share. I don't know, at this point, how much of that work we can locally perform. I've gone over it with our Superintendent and there are things like, some of the installation work we can do, some of the

lighting replacement work we can do but we can't do the hangar door which over half of the work is probably in the hangar door.

Legislator Nazzaro: So is it safe to say that most of this, not be in-kind services or maybe 20% of it will be in-kind services?

Mr. Bentley: Well, give that you got \$900,000 of grant money, so that is going to encompass a lot of – like in Dunkirk, it was a demo. We self-performed in the demo, there was a lot of work involved in it. So that was able to more easily be allocated to the airport and DPF staff. There is no real demo here. This is rehabilitation.

Mr. Almeter: We have to tear out all the old installation. That can all be self-performed. It's not asbestos, it just (*inaudible*).

Mr. Bentley: The short answer, I don't know if we're going to get the \$171,000 but we'll get some fraction of that.

Mrs. Dennison: So the resolution is written under the assumption that the local share contribution does not reduce – the maximum amount of exposure is \$171,000.

Legislator Nazzaro: So right now is this – I just want clarification, is the resolution as it's currently written before us, are we actually reducing the reserve for capital by \$171,000?

Mrs. Dennison: Yes.

Legislator Nazzaro: O.k., and it seems like I've seen a number of resolutions lately reducing the reserve for capital so you know what my next question is?

Mrs. Dennison: Yes, I do, one million five hundred twenty four thousand, four hundred ninety four, as of June 30th.

Chairman Hemmer: So this is going to come out of that?

Mrs. Dennison: Correct. This is before any of the resolutions that you are considering today. The current balance is approximately, on the reserve for capital is, \$1.5 but that is after subtracting all of the projects that are budgeted in 19'. Because we did have that big bump up on the reserve for capital which we're (*inaudible*) to use quite a few – we have already budgeted the use of quite a bit of that money in 2019. So after accommodating all the projects that were approved in the 2019 budget, today there is approximately \$1.5 million available in the reserve for capital.

Legislator Nazzaro: That's after, if I followed it right Kathleen, after reducing the projects that we're already –

Mrs. Dennison: Yes, that's assuming that everything that was approved in the 2019 budget is spent. All capital projects that were to be funded from the reserve, assuming they use all of that funding, after all of those projects, we would still have another \$1.5 available.

Legislator Nazzaro: And how does that compare in the past years? It's pretty healthy?

Mrs. Dennison: It is pretty healthy, yes. In general, you take out (*inaudible*) at the end of 17' and then the usage this year, generally that reserve has stayed pretty much around \$1.5, \$1.3 million dollars.

Legislator Nazzaro: I guess my only issue with this one is whether you – it comes back to this question, as my colleague next to me always says, Mr. Scudder, we're getting the \$902,000 from the State, right?

Mr. Bentley: It was State, yes, not Federal.

Legislator Nazzaro: It's not Federal but I question the need for this hangar. Because it's not being used currently, other than for storage for some of the items you listed. I don't see how this is going to help attract a commercial carrier, I don't see how this is going to – it's like build it and they will come. So, even though we're at a fairly healthy reserve for capital fund balance, I would rather be using that \$171,000 for something else that affects more people and has a bigger benefit. So tell me why (*cell phone*).... Don't tell me because of the \$900,000.

Mr. Bentley: I think that Ron answered it through Jay's question a little bit and I'll add onto it. We've already been asked questions for transient services in the summer for jet storage. So it's not build and they will come. They have asked for it. We don't have the space to accommodate them.

Legislator Nazzaro: So when you say transient –

Mr. Bentley: That means you are not basing your plane at Jamestown. You fly in and you are staying the night, you want to store it overnight.

Legislator Nazzaro: And they want it stored inside?

Mr. Bentley: Yes.

Mr. Almeter: I don't know what Lou Nalbhone charges for overnight storage of a jet because he doesn't have to report that to us. But I can tell you what we are charging over in Dunkirk. When the Well's Enterprises jets fly in, they want to go into a hangar overnight. We charge them, depending on which aircraft it is and how long they want to stay, anywhere from \$250 to \$500 a night. During the summer, there are jets on the apron up in Dunkirk or in Jamestown every day. They would prefer to be in a hangar for the most part. How much we can get them to pay every night and how many nights we'll fill that hangar, that's, if you build it they will come part of the equation but I can tell you that they are there now and they are looking for – and those types of services, those business jet services, we extract a premium price for that. We

sell the jet A fuel at a higher profit margin, we charge landing fees for those aircrafts that we don't charge to single engine privately owned aircraft and we charge hangar fees. So, even a transient jet aircraft, generate a lot of revenue to the airport. Part of the issue that we have with Jamestown is that we don't have a lease that gives us any of that.

Mr. Bentley: But we will.

Mr. Almeter: In January of 2017, we entered into a lease with the Nalbone's that got us a lump sum flat fee every month. So we don't see any of that profit anymore. In the future, we need to write a lease with the next (*inaudible*) operator that gives us a share of that.

Legislator Scudder: So if we rehab this, are we in competition with Louie then? Does he have the facility that does this?

Mr. Bentley: By the time this is built, this is out of the equation.

Mr. Almeter: No, he does not have – that is why jets are parked on the apron right now. If we had a hangar and we let him sub-let that hangar from us, those jets would be in that hangar every night but we don't have a hangar for them.

Legislator Nazzaro: Is there additional cost that the County would incur if this is approved and we rehab the hangar, is there additional cost? I guess I'm looking at the return on investment here.

Mr. Almeter: Yes, there is the utility cost and the O&M.

Legislator Nazzaro: So we're kicking in, one way or the other, \$171,900, so what is the return on investment? I mean, if you are getting \$500 a night and you might have one – I don't know how often there is a need. I mean, you are saying there is a need and I'm not questioning that but is it, once a week, couple times a month, it seems like the return on this and then you bring up the utilities and liability.

Mr. Bentley: When we are trying to sell the FBO, having more space available, you are going to attract a broader, probably more favorable terms. The more assets you put in play, the more they have a chance at getting their revenue back. I think this not only plays into the revenue side of it but also the FBO side of it. That is why I think it's something that we should be doing because if you're really trying to get an FBO in here, you need these types of assets to make this attractive. Otherwise they are losing revenue and we'd be losing revenue. If we write the lease right, we're going to get a piece of the pie here.

Legislator Nazzaro: I guess where I have trouble is, like this one here, we have had a lot of resolutions come before us and we're accepting a lot of grants, both airports, I support it and if it's there, what I haven't seen, we've had studies done, is an overall and correct me, a business plan, strategic plan where it says, o.k., this is what we want the County and I know we've had studies but now there is another \$171,000, o.k., next month are we going to be looking for

another \$100,000 for something else? Is this the best use of this money, not only for the County but for the airport itself? Because rehabbing an old hangar that's been around for 50 years, -

Mr. Almeter: Forty.

Legislator Nazzaro: Forty years, to me just doesn't seem the best use.

Mr. Bentley: You are asking a great question and I think there has been studies done. I think they haven't been acted upon in the past. I haven't been here so I'm just –

Legislator Nazzaro: Because if you opened up a business, if anyone of us –

Mr. Bentley: They are saying yes.

Legislator Scudder: There has been studies. (*Cross talk*) acted upon, but go ahead.

Legislator Nazzaro: But if anyone of us where to open up a business, what you do is say, what capital is going to be required to open up that business, like a restaurant. If you are going to open up a restaurant, you are going to have to have a kitchen, what do you need in that kitchen, what are you going to do for seating, is the ventilation correct, is the drainage when you run the dishwasher, I just saying that I haven't seen an overall plan. We seem to be doing this piecemeal. I'm not being critical, I'm being the financial side of it. I have not seen a business plan –

Mr. Bentley: Let's go to the service side because I want to – it's one of the things that I want to discuss because I think that it's important, it gets lost in the financial discussion side. What service does the County want to be in? Do we want to provide this service or not? That is your business plan question. At the end of the day, no one here is really answered that question to me, whether the County wants to provide this service.

Legislator Scudder: Bingo.

Mr. Bentley: And I know what his answer is, -

Legislator Scudder: What's my answer?

Mr. Bentley: I thought your answer was no or did you have –

Legislator Scudder: My answer is, we paid to have a study done, as you spoke of, -

Mr. Bentley: And I don't know whatever happened to it.

Legislator Scudder: And then (*cross talk*) what are we going to do? (*Cross talk*).....

Mr. Bentley: So my question to the Legislature –

Legislator Scudder: So I have a problem, pardon me, of going forward with anything because we haven't made a decision on anything.

Mr. Bentley: The we in that is really probably not Ron and myself. It's the Legislature, it's the County Executive. There needs to be a decision whether we're in this business to provide a service. Your restaurant example, well, there is lots of restaurants –

Legislator Nazzaro: A lot of them are closing.

Mr. Bentley: Right but the question is, do you want to provide airport service in Chautauqua County or not? You can have a 1,000 restaurants but you can choose no – then there is other services in other counties that you can go to, I get that, but do you want that service here? Do you want the ability to have Starflight here? Do you want to have the ability to have that service available to the residents of Chautauqua County?

Legislator Nazzaro: I don't want to take up too much time. I mean, to answer that question, you threw a bone at me now and I have to –

Mr. Bentley: I gave you the (*cross talk*)...

Legislator Nazzaro: So I have to go back and say, I want the airport to be successful. I think all of us on this committee last months had reservations but we said o.k., let's try one more time. I'm not excited about rehabbing an old hangar. That is not my dream of that airport. My dream of the airport is to have an operational airport, reduce the County subsidy, provide air service for those who need it but we don't have to build a Cadillac airport. I'm mean, I'm done, I'm not going to support this one. I'm supportive of stuff but this one, I don't see the need and I haven't seen the business plan so this one, I'm not going to support. And I don't like using the capital, even though it's healthy and even though some of it is going to be in-kind.

Mrs. Dennison: Mr. Chairman, if I may. I apologize, I misspoke earlier. I was checking figures. The \$1.5 is the current balance but it does not compare as favorably with our past balance as I indicated earlier. So I went back to 2013, the balance in the capital reserve was \$2 million dollars and then it grew to about \$3 million at the end of 16' and (*inaudible*) bump up, used it so the \$1.5 that we have now is actually lower than it has been in the recent past. I apologize.

Legislator Nazzaro: Thank you. I appreciate you going back.

Mrs. Dennison: I look at a lot of numbers I actually get some mixed up but the other comment or actually a question for Brad and for Ron, so we're looking at the use of local funds on this one up around \$170,000, if the commercial air service is restored, the use would be half of that, is that correct statement? The local –

Mr. Almeter: No, this is New York State grant. I won't dive into that but there is a reason why it's 16%. The question about the business plan, the Wiedemann study, the Wiedemann C&S study and I read the thing, cover to cover a couple of times, the tasking on that

really wasn't the right tasking to get a business plan. It was a tasking that was designed to get a specific answer and low and behold, you got the answer you asked for. It wasn't a business plan. We're doing a master plan for the airport right now under an FAA grant. We've had these rather frustrating conversations with the engineering consultants doing this because they won't do what you are asking us to do. Develop a business plan and from that business plan then, develop an investment plan, a strategic facilities master plan that identifies all of the investment opportunities we have at the airport. Which ones make the most sense and which ones are in line with our business objectives. The FAA won't pay for that. So if the County wants that, the County has to pay somebody to do it or sit down using the talent that is available and write that business plan. But otherwise, we'll never get it. We'll never get that business plan and we know that we need it.

Mr. Bentley: So that's the thing. I want to put this to bed once and for all.

Legislator Nazzaro: I just want to say one thing because we can – I just don't feel that this is critical to the operation of the airport. I feel the other thing that we've had, you need runways, you need lighting, you need de-icing equipment, I just don't feel this particular one here is critical to the operation of the airport.

Mr. Almeter: That is the very nature of the New York State Aviation grant program. They don't focus on the safety of flight and aviation safety. Their grants are scored and weighted based on their business potential. Their ability to attract businesses to the airport. The evaluators back in Albany looked at that proposal and said, that's got good business revenue prospects. That is why they offered us the grant.

Mr. Bentley: Let me just put this in perspective. If we turn this down, the next time we apply, we probably will not get it. You are thumbing your nose at the New York State DOT on this one if you say no. So the next time that we want something, that makes business sense for us, then we're probably going to be SOL. I hate to see us shoot ourselves in the foot through this. Like I said, I believe we presented a business case here, showing that there are people out there that want this and we've said that it's going to make an FBO more attractive, so you are going to be able to get out of the business of the FBO quicker, I think there are a lot of reasons why we want to say yes to this. While it's not critical, I agree with you there, but to be this - you asked for a business plan, I make those every day, whether it's roads, bridges, airports, landfill, we are in the business of providing the service. I believe that this is a business need. I think it has a return and it's the right thing to do. Especially going forward, this is where we get money for our extra stuff at the airport. If we don't do this, they are going to tell us no in the next one.

Legislator Nazzaro: Do you have a need for \$171,000 for other capital projects?

Mr. Bentley: I have needs all over the place but this is one of them in line.

Legislator Nazzaro: O.k., thank you.

Legislator Gould: Can I say something? I'm beginning to wonder if I should have just stayed home today or not. We owned the hangar. It's just like this building or DPW building or

that building over there, we own it. You ought to keep it from falling apart or tear it down. Let's spend \$171,000 tearing it down if you don't want it Chuck.

Legislator Nazzaro: I don't want it.

Legislator Gould: Well, get it torn down then.

Legislator Nazzaro: O.k..

Legislator Gould: I'm going to support this and I feel we should as long as it's our building and they end up with almost a million dollars and only invest \$171,000, that's pretty cheap.

Mr. Almeter: It will be the flagship hangar of Chautauqua County. It will be the premium hangar, no getting around that. It's got the biggest door, biggest clear span, heated, it will be the flagship of the airport once we get it done.

Legislator Gould: That's more than I usually say.

Mr. Bentley: I appreciate that.

Legislator Scudder: So when we accept New York State money, there is no strings attached?

Mr. Bentley: No. *(cross talk)*...

Mr. Almeter: There are strings attached if we sell the airport, we have to pay back the –

Legislator Scudder: So similar to Federal.

Mr. Almeter: It's similar to Federal.

Mrs. Dennison: It just a contribution.

Chairman Hemmer: Grant money that we get from the State, we have to pay that back.

(Cross talk)....

Mr. Bentley:, twenty year thing though?

Legislator Gould: Yea in 20 years, we don't.

Mr. Almeter: It's not clear in the grant money. There is no language about depreciated or amortized cost. It just says that you have to pay the grant back if you sell the airport.

Legislator Nazzaro: Call the question Mr. Chairman.

Legislator Wilfong: How did the hangar get in this condition in the first place, if I may ask?

Mr. Bentley: Years of neglect.

Legislator Wilfong: I'm just saying, years of neglect that we decided not to act on fixing the hangar or it just got pushed to the side?

Mr. Almeter: I don't have a definitive answer.

Legislator Wilfong: That's fine, just your opinion is fine.

Mr. Almeter: From what I've seen the – because it was serving a purpose, albeit non-aviation purpose, I think there was a conscience decision made to maintain it for the purpose it was serving. So they made some minor repairs so that you could close the door and open the door twice a year and it served the intended purpose of storing boats, storing Parks Department equipment and so forth. I think more than anything it was just reviewed as that they were getting some use out of it so that's good enough.

Legislator Wilfong: Storage shed, o.k.

Chairman Hemmer: Are we done with this one? All in favor?

Carried with Nazzaro and Scudder voting "no"

Proposed Resolution – Acceptance of Funds from the FAA and NYSDOT for the Rehabilitation of Runway 07-25 (Design) at the Chautauqua County/Jamestown Airport

Mr. Bentley: Can we just say ditto with the Federal charges with the Federal funding, sorry.

Legislator Gould: Is that the potholes in the blacktop?

Mr. Almeter: No, it does have some pretty good size cracks. The important thing about this resolution is, what isn't in it. This is the design so once we complete the design then we come back and ask for money to reconstruct the runway. Right now, we're looking at a \$5 or \$6 million dollar, about \$5 ½ million dollar reconstruction effort once the design is complete. Full disclosure, this is the tip of the iceberg.

Legislator Scudder: I will tell you what. I'll vote in favor of everything for the Jamestown airport if we close the Dunkirk airport.

Chairman Hemmer: Such a bargain I have for you. Any other comments or questions on this one?

Legislator Nazzaro: The reason I will support this one because the runway is critical to the operation of an airport, the safety. As you pointed out Ron, the Federal is where the funds come in, right?

Mr. Almeter: That's where their money comes – their money is - although we do not have a strategic business plan, in our master plan we have very coordinated look at where we need to invest in the infrastructure to maintain safety of flight.

Legislator Nazzaro: If we are going to have an airport, it has to be safe.

Mr. Almeter: In fact, before we can even submit this grant application, we have to do a pavement management study and an obstruction study which this committee approved in the past and those study results came back, we're evaluated by the FAA and they said, yep, it's time to reconstruct your runway.

Legislator Scudder: Now realize that we could pay for this study, they could not approve it, and then it's money spent, just to let you know.

Chairman Hemmer: Any other questions or comments?

Carried with Gould and Scudder voting "no"

Proposed Resolution – Acceptance of Funds from the FAA and NYSDOT for the Primary Wind Cone (Design) at the Chautauqua County/Jamestown Airport

Mr. Bentley: This is just for the design of the wind cone. We're trying to get it in this year under some other complications, we had to go back to just design so this is just the design piece of it. We'll be bringing back the actual cost of it, install cost later. Simple answer.

Chairman Hemmer: Any questions?

Legislator Gould: This is just the design?

Mr. Bentley: Yes, to expand a little bit more. We tried to put it all in one because it such a small project, everybody has minimum charges, it became un-sensible. So, we originally had it in the package, we got asked to pull it apart because it would cost too much, we have to put it back (*inaudible*).

Legislator Gould: How much was it before you pulled it apart?

Mr. Almeter: The design that was proposed as a design, this committee approved a grant application request for \$105,000 to design and build this. The design had to be, for all intents and purposes, the design was completed, had to be completed in order to put it out for construction bid and the construction bid came back at \$114,000, which was ridiculous. So, rather than go back and say, well we need \$50,000 for design and construction management and \$114,000 and come back and say o.k., we need \$165,000.. I called the FAA and said, this is ridiculous. This is

not the way to accomplish this project. We want to pull it back. We have to pay for the design because we effectively completed the design. The engineer completed the design, but, we would like to defer the construction and fold that into another construction project as this (*inaudible*) task, try to bring down the overhead, the mobilization, all those skilled overhead cost and get the project into a reasonable direct labor expense as part of the bigger project. Maybe the fence project, maybe the runway (*inaudible*).. So that is where we are at today. We have to pay for the design and we'll try and get a cheaper construction project in the out years.

Legislator Scudder: I have this picture in my head. What's a wind cone?

Mr. Almeter: It's a wind sock. It sits in the middle of a segmented circle which looks like a big roulette wheel about a 100 feet in diameter and the thing that makes this so darn expensive, it has to be illuminated and power supply for that illumination has to be on a backup generator. So you take a \$50 wind sock and run emergency power to it and you have a \$105,000 wind sock.

Legislator Scudder: That is what I was wondering. Thank you.

Chairman Hemmer: Any further questions?

Carried with Gould and Scudder voting "no"

Proposed Resolution – Acceptance of Funds from the FAA and NYSDOT for the
Rehabilitate Perimeter Fence (Design) at the Chautauqua
County/Jamestown Airport

Mr. Bentley: Simple answer, keep the animals and terrorist out. This is the design portion, right?

Mr. Almeter: Yes, as with the runway project, this is the iceberg so to speak. It's the design phase. The construction phase is currently estimated at a million dollars. That's in our five year program.

Legislator Nazzaro: And just to clarify, we need to have this for safety reasons, correct?

Mr. Almeter: Safety, security.

Legislator Nazzaro: O.k., that's why I will support it.

Chairman Hemmer: Any other questions?

Carried with Gould and Scudder voting "no"

Legislator Nazzaro: So just to add up the numbers this afternoon, we used about \$200,000, correct?

Mrs. Dennison: Correct, a \$202,000 and change.

Legislator Nazzaro: So, \$202,000 of our reserve for capital or that's about 14% of what we currently have in there for the airport, when we have other projects in this County, I sure that money could be used for.

Mr. Bentley: Not taking into account, potential in-kind services.

Legislator Nazzaro: But it hasn't happened yet.

Other

Proposed Resolution – Authorize Agreement with New York State DOT for Performance of Federal-Aid Project PIN 5761.83

Chairman Hemmer: This is County Route 1080 on Hopkins Avenue over the Chadakoin River.

Mr. Bentley: This is, sorry for being late, number one. It was actually early and kind of got lost in the paperwork because I submitted it early but, this is to do the design phase of Hopkins Avenue over the Chadakoin. As you know, we finished South Main, we're working on Harrison Street. This is the third one up the way a little bit on Hopkins. So this is just the design phase. Again, this is covered 80/15 and 5% for County. I believe he's doing the math for me now.

Legislator Nazzaro: Yes, I'm doing the fund balance calculation.

Mr. Bentley: So I didn't do the numbers on this so whatever 5% of \$380,000 is, that would be the County's share.

Legislator Scudder: Eighteen thousand, three hundred.

Mr. Bentley: According to the accountant down there, \$18,300.

Chairman Hemmer: Eighteen three is the local share, huh?

Legislator Nazzaro: Five percent is \$19,500.

Mr. Bentley: My calculator says, \$19,000.

Chairman Hemmer: Nineteen thousand local share and yet we're taking out of reserve, \$76,000. How can \$19,000 be the only local share?

Mr. Bentley: I think until the State reimburses us, I think that's probably 20%, right? Yes. Ultimately it would only be 5% but in the reserve fund, you take out the part of the State and then you get reimbursed.

Mrs. Dennison: That is correct, yes.

Legislator Nazzaro: So 5% would be about –

Mr. Bentley: Ultimate number, yes. Before in the past, they put them in at 20 but not recognizing the 15% Marcheselli contribution, right?

Mrs. Dennison: Well the Marcheselli contribution is not guaranteed at this time and so we're not putting in the budget for that because it's not guaranteed. It is expected –

Mr. Bentley: But that is why we do it that way.

Mrs. Dennison: Yes, so the use of reserve for capital right now in this resolution would be more than – it's the pessimistic version, let's put it that way. It's the worst that it could be.

Legislator Nazzaro: This follows what we have done in other resolutions.

Mrs. Dennison: Yes, sometimes in the resolutions, the Marcheselli amount is already declared but in this particular project, has not been.

Mr. Bentley: Because it's so far out. We're in the design phase.

Chairman Hemmer: Any questions concerning this resolution?

Legislator Wilfong: So what's the local share?

Mr. Bentley: Ultimately if we get the Marcheselli, it's \$19,000.

Chairman Hemmer: As it sits now, it's \$76,000.

Mr. Bentley: So if the State pulls the rug out from everybody, then it would be \$76,000 but that is not expected.

Legislator Gould: How much is the fund balance have we spent in a half a year? Can you tell us?

Mrs. Dennison: There are different categories because we have the fund balance, this one is coming out of the reserve for capital but I do have a tally.

Legislator Gould: I do think that we should be a little more careful of our fund balance. But I am going to support this because bridges are more important than airports. We've gotten along without an airport for a long time now.

Legislator Scudder: The better the bridges are, you can drive to the airport.

Legislator Gould: You won't have to worry about it, will ya?

Mr. Bentley: You know, you guys are going to make me not want to come back.

Mrs. Dennison: This is through resolutions that were passed through May. I have not yet added in the June resolutions. Those resolution, one's just the general fund, have used \$44,481 so far.

Legislator Nazzaro: And the reserve for capital?

Mrs. Dennison: The reserve for capital, this is through June, \$394,000 plus another \$200,000 in June so, I'll update this before Audit & Control so I'll have the numbers approved through June. While we're on the subject, we've also committed to use out of the 3% occupancy reserve, \$58,781 and out of the 2% reserve, \$121,970.

Legislator Starks: Can I ask a question? I realize a lot of money that we use for the airport is Federal and State funded. But we do have our local share and I realize that the airport has revenue, like selling gas, and leasing hangar space and all of that, does the income that we get from the revenue sources at the airport have, come anywhere close what our local share is?

Unknown Speaker: No.

Legislator Starks: Because we're talking in like (*cross talk*) numbers and our actual money spent out is smaller than the giant numbers but, anywhere near half of what goes out?

Legislator Nazzaro: Go ahead Kathleen. Great question. Did we vote on the bridge?

Chairman Hemmer: No, we did not vote on the bridge.

Legislator Wilfong: This is an artist rendition of that bridge. I know this is going to sell for millions of dollars at one time, but, Hopkins Street bridge is here, we're working on the Harrison Street here, there is the Foote Avenue bridge, do we really need the Hopkins? What if we said no to this? I am just throwing that out there. Please Post Journal, don't send hate mail. But I mean, that is the rendition, Foote Avenue, Harrison Street, Hopkins. I'm just throwing that out.

Chairman Hemmer: Yes, a couple of million, three million each.

Legislator Wilfong: I mean, we're building a new – the medical corridor is right here, I get that. Foote Avenue continues on, Harrison Street comes down, I mean, there are three bridges within what, a block and a half of each other, two blocks. I just saying maybe another way of looking at it, that's all.

Chairman Hemmer: It's a winding river.

Legislator Nazzaro: Good question. You have to address is there a public safety issue? I don't know. For emergency vehicles.

Chairman Hemmer: How long does it take to get around.

Mr. Bentley: And if you have one road blocked, is there another access road that's – we all know that seconds matter in medical and you are right by the emergency room there.

Legislator Wilfong: No, the hospital is actually down here.

Mr. Bentley: No but the routes to go from downtown, over there.

Legislator Wilfong: But on Harrison Street, if you were coming with the fire department, they would be coming down Foote?

Mr. Bentley: Well, let's say that Foote is blocked for some reason.

Legislator Wilfong: Then they would have to go this way and go down, go over Harrison or come down and forget – or down here by Brooklyn Square we come into the hospital.

Chairman Hemmer: There are a lot of ways around.

Mr. Bentley: The other thing I would mention that has come to light with our closure of Harrison, there is a lot of businesses and if you close one end is an access point to them. They start yapping.

Legislator Wilfong: That's probably true. I hear ya.

Mr. Bentley: Because I have gotten a number of phone calls from the businesses on the one side or the other. You can say that we don't need it because they have another way to get it, but the way the employees get it, the way their delivery trucks get in, if they can make the radius's, so all those things need to be evaluated other than the simple, we have to many roads and bridges. I don't know.

Legislator Wilfong: You are not criticizing this map, I hope.

Mr. Bentley: I would never criticize that map.

Chairman Hemmer: Are there any other comments or questions?

Unanimously Carried

Chairman Hemmer: Next is our report from Kathleen.

Mrs. Dennison: This is both airports combined in 19'. Our budget is a local share of, amended budget's local share is \$711,775. So that is the operating costs expected for this year. Does not include anything that we're spending on capital projects.

Legislator Nazzaro: That is just for operating.

Mrs. Dennison: Just for operating.

Legislator Nazzaro: And that is, I believe, lower than it has been historically?

Mrs. Dennison: It has been closer to a million dollars.

Mr. Bentley: We have been trying to manage the overtime budget with the plowing since we do not have essential air service. There has been some reduction in cost because we don't have to plow for the airline.

Chairman Hemmer: That's the cost. That doesn't say anything about the proceeds that are gained.

Legislator Nazzaro: That's revenue net of expenses.

Legislator Scudder: That's what it costs.

Mrs. Dennison: That's the budget.

Legislator Nazzaro: But that is what we're expecting.

Mrs. Dennison: Expecting to spend (*cross talk*)..

Legislator Nazzaro: She'll give you an actual what it costs us in 2018.

Chairman Hemmer: Is there any other to come under other for the Public Facilities Committee meeting today? Seeing none, we can adjourn.

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

Unanimously Carried (5:22 p.m.)

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