

Minutes

Public Facilities Committee

August 19, 2019, 4:00 pm

Gerace Office Building, Mayville, N.Y.

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

Others: Tampio, Ames, Abdella, Dennison, Cummings, Bentley, Almeter, Starks

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

Approval of Minutes (07/15/19)

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

Unanimously Carried

Privilege of the Floor

No one chose to speak at this time.

Proposed Resolution – Amend 2019 Budget Appropriations Due to Allocation of Clerk,
Legislative Board Administrative Expenses for the North Chautauqua
County Water District

Clerk Tampio: Since the water district was formed, I have been providing administrative services for them. However, recently the amount of time that I put into that function has increased greatly and this year for a couple of months, I documented my time and came up with an average about 10% of my time is devoted to administrative services for the district. So I took that to the water district board and they approved that 10% allocation of my salary towards their budget so that is what this is for. To allocate 10% to the Water District budget for personal services and employee benefits. Likewise, the Clerk of the Legislature budget has been reduced to the 90% time of both, .1 and .8.

Legislator Gould: This is the first year we've had any charge for the water district?

Clerk Tampio: Correct. Even though the County, in many ways, has been providing services.

Legislator Gould: Has eaten the bullet.

Clerk Tampio: Yea, in a way to assist the growth of the district.

Chairman Hemmer: Any comments or questions on this proposal?

Legislator Nazzaro: Very brief comment. You said the 2020 budget that we'll be seeing, you reflect that 10% and I'm assuming that you'll keep some kind of time studies in case that increases?

Clerk Tampio: I will.

Legislator Nazzaro: (*Cross talk*) difference either way, we're not going to micro-manage it if it's 8, 9, 10 and all of a sudden it went to 20% or something like that.

Clerk Tampio: This is whatever you want me to do. You want me just to do a 2 month study in there or do you want me to do it on a continuous basis?

Legislator Scudder: Just don't spend 3% of your time studying the 10%.

Clerk Tampio: I know, sometimes it gets rather involved trying to keep track of all the time.

Legislator Nazzaro: Other than picking, since you suggested a couple of months next year, that are typical months. Not a vacation month or something like that, just to make sure the 10% is close.

Clerk Tampio: Yes. Like you said, some months, it's over 10% and some it's less. So it's an average but you will see the same 10% figures in the 2020 budget when it comes to you.

Legislator Gould: I'm not going to ask a tough question of how did you know that it was not 11% and not 9%? Just forget I said that and strike that from the minutes. I'm trying to be nice today.

Chairman Hemmer: Seeing no more comments, all in favor?

Unanimously Carried

Proposed Resolution – Confirming User Charges: North County Industrial Water District No. 1

Mr. Cummings: I'm here for Brian Purol, the Chairman of the North County Water Industrial District. He's not able to make it so I told him I would fill in. This rate proposal for the North County Water Industrial District has to do a little bit with the North Chautauqua County Water District. Kathy's district is trying to overcharge us for water so we're trying to cover her 10% , I think. (*laughter*)... No, that's not true. This is to try and get the rates in line and just to adjust things as we move over to the North County Water District providing the water and not the City of Dunkirk. So that is the reason for the change. I think it's most of the reason and just to get the budget in line. So that's kind of what has been proposed by their district. I think talking

with Kathleen, some of the rate payers will go up a little bit and some won't. Is that correct Kathleen?

Mrs. Dennison: That is correct. Actually on the water, we're projecting that the expense will be the same or less for all of the users. Because right now the City of Dunkirk is billing customers for the water and the City of Dunkirk is charging \$7.58 per thousand gallons. This restructuring will have the District billing the customers and the district is going to purchase water from the new North Chautauqua Water District and the District will purchase and essentially resell the water at \$6.77 per thousand gallons. So, it's a savings of about .75 cents per thousand gallons for the users. So they should see a decrease. This is an estimate because we don't have access to the bills issued by the City of Dunkirk so we did an estimate based, you know, estimated usage and based on our assumption that the charge is \$7.58 per thousand gallons. So, it should be good news for all participants in the District.

Legislator Scudder: Who are these participants? Can you tell us?

Mr. Cummings: There are 14 users within the District, all industrial users. Maybe Kathleen has a list there.

Mrs. Dennison: We have the list.

Mr. Cummings: Purina is the biggest user in the District.

Mrs. Dennison: The Chautauqua County IDA, they still have a –

Mr. Cummings: They just have the land. I don't think that they have any buildings there.

Mrs. Dennison: They are projected to have charges, so Chautauqua County IDA has a parcel, Chautauqua County itself has a maintenance facility, the Dunkirk Airport, Dunkirk Metal Products, Ink's International, Nestle Purina, New Life Glass, Stera-cycle(?). So the three biggies are Stera-cycle, Purina, and Ink's.

Legislator Gould: Could we get a breakdown of that sometime. I'm kind of curious of what the County is paying and the airport is paying.

Mrs. Dennison: A breakdown of – well, we can send you – the County has it's invoices for water usage to all of these customers. So, we have on our books the invoices that the County has prepared. As I said, we don't have the invoices that Dunkirk has been issuing to the users and the County Law Department has established that the District itself needs to be the billing entity so that is another reason for this change. But we'd be happy to get you copies of the County invoices.

Legislator Gould: Thank you. Could you email them?

Mrs. Dennison: Yes. Those invoices do show the current consumption level for all of the customers so I can easily email you and they are billed quarterly so we can do the past 12

months of charges. We probably should also mention that the charges are based on consumption but they are also based on an acreage factor and the acreage factor is not changing. So obviously that's their – (*inaudible*) they have isn't changing and the amount per acre that we're charging isn't changing. No change in the current proposal.

Chairman Hemmer: Whether you use water or not, you still get that acreage charge.

Mrs. Dennison: Yes and there is a little bit of a change in the rating that we're going to this floor, if you will, that they will be charged a minimum of \$65.00 per quarter whether they use any water or not. That's a change.

Mr. Cummings: That was not in the billing in the past from Dunkirk, from anybody. We'll have a little better handle on what is going on with that district. We've kind of struggled trying to get budgets together and trying to figure things out. So this will help get it in line a little easier as we move forward.

Chairman Hemmer: Any other comments?

Unanimously Carried

Proposed Resolution – Adjust D.5112 Capital Improvement Accounts

Mr. Bentley: I'd like to personally thank you and the Legislators for the resolution that you guys passed to support the extreme weather funding. While, I do believe that it was after the fact, it still shows the support for this program and the need for the County here as a whole to receive these funds. We use them. This is money that actually does get spent and we will take all the money we can get from this. It was a struggle to get the State to actually give this out but through the legislative process and through a lot of lobbying efforts, many, many counties, a lot of DPF personnel and obviously your guys support, it just shows that this is a critical piece to the pie, what we need to maintain our infrastructure throughout the State. So I wanted to personally thank you guys for having that support on the legislative floor.

But, for the resolution, this is the official amount that we received as our portion of the extreme weather funding. We're actually using this to help offset some of the cost that we have out laid (*inaudible*) and we're actually going to, I'm saying this correctly –

Mrs. Dennison: Contribute to the fund balance.

Mr. Bentley: Contribute to the fund balance, the negative fund balance.

Mrs. Dennison: Or lack thereof.

Mr. Bentley: So, we've invested heavily in our infrastructure and in some ways we were hoping to get this anyways so the fact that we got it, it really helps our state of affairs. It's at least a good chunk of the negative fund balance but we still need to go further. So your continued support and further support will be greatly appreciated as well.

Chairman Hemmer: Any questions?

Legislator Gould: Have you actually received it yet? Have you got the check from the State yet?

Mr. Bentley: So the way this will work is, we actually have to incur the project cost and then ask for reimbursement.

Legislator Gould: You have to spend it first.

Mr. Bentley: We typically have more projects than we get reimbursed for. So this is not – we're not going to do anymore incremental work above what we have already projected. That's why to the State it looks like we have the projects covered, because we do. The County's outlaying our local share first. So this is reimbursing our local share that we've already put out there. So it is a little bit of a -

Legislator Gould: But the answer is no, we haven't gotten it yet.

Mr. Bentley: But we will get it. We have to finish the project. We need this resolution in order to submit for reimbursement.

Legislator Nazzaro: We will get the money this year?

Mr. Bentley: Yes.

Mrs. Dennison: If we don't physically receive the cash, we will accrue it as revenue received in this year, yes.

Chairman Hemmer: And it has to be projects that are done this year?

Legislator Wilfong: Done this year, 2019.

Mr. Bentley: Correct. There are ways to roll it over but there is no need for me to roll over money.

Legislator Gould: Probably not.

Mr. Bentley: I have a negative fund balance for a reason.

Legislator Nazzaro: Is part of this for 2018? I mean, I know it's going to decrease the use of fund balance but some of these projects, is it lapping, overlapping, because the winter season is (*inaudible*)...

Mr. Bentley: Through 18', 19', winter season.

Chairman Hemmer: I guess you could have extreme winter.

Legislator Nazzaro: You can have an extreme winter in November. Just wondering, is this for 2018 extreme weather or 2019?

Mr. Bentley: It's for the 2019 budget year. So what they do is allocate money for extreme weather. Don't let the name confuse you. It's just a method by which the State can give out additional money in addition to CHIPS. This is just the moniker that was tagged on it. They probably initiated the initial funding. Was that an extreme weather event many years ago and it seems like we hit a lot of those events so they have continued to - it's a way for them to adjust their budgets without having to go in and adjust the base program. So if they have money available, they'll issue it and say, it's for extreme weather. So don't -

Legislator Nazzaro: Briefly, how did they determine the amount?

Mr. Bentley: Based on road mileage.

Legislator Nazzaro: That was brief. So based on the 500 plus miles of road. Thank you.

Legislator Gould: Do we get it every year?

Mr. Bentley: We have gotten it the last couple of years but we were worried that we weren't going to get it this year and it's not without those lobbying efforts that we got it. Next year, we're probably going to go through the whole thing. It's not a set program.

Legislator Gould: This is not in the budget then?

Mr. Bentley: We did not include it last year because we were unsure of the - because it's extreme weather, we're unsure what the state of affairs is going to be and we had not included it on the 2020 budget cycle.

Legislator Nazzaro: So Kathleen, what does this do to the D fund balance?

Mrs. Dennison: I knew you were going to ask. The D fund balance at the end of 2018, start of 2019, the deficit is \$1.2 million dollars. So this would contribute \$547,000 to the fund so if we do not have to dip into the D fund due to 19' operations, that would bring the deficit to \$681,481. But, I do want to caution you that the 19' budget assumes a use of fund balance of \$500,000. So Brad's, his appropriations assumes he's already been authorized to use \$500,000 of D fund balance.

Legislator Nazzaro: So the \$500,000 that we're budgeted in 2019 to take out of the D fund balance, the number you just gave, does that reflect that?

Mrs. Dennison: No.

Legislator Nazzaro: So how can you take money out of a negative fund balance?

Chairman Hemmer: It would make it more negative.

Mrs. Dennison: From an accounting standpoint, the funds, A, D, and the DM funds, are considered general operations. So in some ways they are viewed together. So, if we were to right size the D fund balance today, we would take money out of the A fund balance and transfer it into the D fund to make the D fund balance zero.

Legislator Nazzaro: So you are saying we would take it out of the general fund, undesignated fund balance?

Mrs. Dennison: Correct.

Legislator Nazzaro: The DM, doesn't that –

Mrs. Dennison: The DM has a positive fund balance.

Legislator Nazzaro: But doesn't it owe the general fund \$4.5 million or something? I thought that one of the funds owed –

Mrs. Dennison: No. I mean, every year, we make a transfer from the general fund, a budget transfer, from the general fund into the D and DM funds. So the general fund is always subsidizing part of the road machinery and road maintenance operations. That's customary but I wouldn't characterize it as saying that, either of those funds owes.

Legislator Nazzaro: I was thinking of the audit report we got. But we can discuss that in Audit & Control.

Mrs. Dennison: I have not actually seen that report so he may be talking about, if we were to do all of the proper transfer, right size everything between those three funds. My initial answer is no, that is not true but I will defer to read the audit report. So right now, as I said, if you look at the D fund balance today, like I said, it's a negative \$1.2 million because we haven't spent that other \$500,000 yet. We are projecting that we will but it has not occurred. So thinking optimist view of the situation because the money hasn't been spent yet, so we're \$1.2 in the hole, we're putting in \$547,000, that brings us to a deficit of \$681,000 but it's probable that we would spend that additional \$500,000 that is already appropriated for this year so then the deficit at the end of this year would be \$1,181,000.

Legislator Scudder: *(Statement inaudible)*

Mrs. Dennison: Well, \$500,000 worse than *(cross talk)*.....

Legislator Scudder: Well, the \$1.2 million dollar deficit, we'd be at \$1.1 million dollar deficit.

Chairman Hemmer: That's better.

Mr. Bentley: Obviously I've very cognizant of the budget appropriations and I'm working hard with Kathleen to identify areas where we can save money without impacting

safety. I mean the big thing is, if we have to spend it, we have to spend it but I'm asking a lot of tough questions to make sure we're keeping our infrastructure safe but at the same time, if something can be deferred without impacting safety, let's have a discussion about it. So, we're making sure those conversations happen now and not after the money is spent. So, I'm not going to commit to anything other than making sure that you guys know that I'm aware and working with Kathleen to see what we can do to minimize the use of that \$500,000.

Mrs. Dennison: And Jay, in answer to your question, we did receive extreme weather funding in 2017 and in 2018.

Legislator Gould: For the same amount?

Mrs. Dennison: Roughly yes.

Legislator Gould: Yes, o.k., good.

Mrs. Dennison: If we received it prior to 17', it's in a different account. I don't know where it would have been put other than this account so my information indicates that we did not receive it in 16' and 15'.

Legislator Gould: Then we probably won't get it in again next year. I would not count on it.

Mr. Bentley: If we get it, it's because there is a lot of lobbying efforts. In the longer term, the DPF in large, is asking for CHIPS to be increase so that we don't have to ask for the supplemental funding. We'd like to have this on a continuous basis because they haven't increased CHIPS funding for 5 years that it's been at the same level. When you have inflation, the work doesn't go away, but -

Chairman Hemmer: Doesn't get any cheaper.

Mr. Bentley: So the price per mile goes down, the less work you can do, the less the funds, the more that it relies on the local share to complete safe roads. So, we're going to advocate for it.

Chairman Hemmer: Thank you for that good information. Any other comments on this resolution?

Unanimously Carried

Proposed Resolution - Amend Capital Project Accounts Due to Fleet Management Services

Mr. Bentley: I'm going to go through a little background and then let Kathleen do the accounting side. For 2019, I had \$2.5 million dollars in capital allocated to large and small vehicle purchases. We've had a lot of discussions on vehicle leasing and what we're doing for 2019, we're leasing about 9 vehicles and this is to do the accounting to take the money that is in

capital and put it over into the operating side because a lease is an operating expense not a capital expense. So this is to fund the mechanism and fund those 9 vehicles. I'm using this as kind of a pilot program to see if we should do any further leasing on the rest of the DPF vehicles. So I think this will be a good (*inaudible*) test for how this all plays out and we have some preliminary numbers but I want to use this as the test case. So, this is to affect basically the movement of the money from capital to operating. Did I say that right?

Mrs. Dennison: Yes.

Mr. Bentley: Total cost is \$300,000 but we expect the sale of the existing vehicles to come back at \$50,000 to the net is \$250,000 for the first year. And then it would be a recurring – no, that \$300,000 has to be split over the four years, right? This is the total. Yea, because the total cost to either buy the vehicles outright would have been about \$300,000. So this is the movement of all that money to fund the next four years of the lease. Correct?

Mrs. Dennison: Not exactly.

Mr. Bentley: This is the point where I turn it over to her.

Mrs. Dennison: The budget for this year, as Brad said, he has \$2.5 million dollars for vehicle purchases and that \$2.5 million dollars is funded from the capital reserve. As an experiment of leasing program, he has decided, as he said, to, instead of purchasing 9 light duty vehicles in 19', we're going to lease them. He would have spent \$300,000 to purchase those vehicles in 2019, so we're reducing that funding from the capital reserve. Then going forward, he will have a lease expense in his operating budget. But there is really not that 4 year amortization which doesn't really play into the total picture. I mean this year we're putting in \$20,000 into his operating budget to pay for approximately four months of the leases but in their operating budgets going forward, like starting in 2020, there is going to be a lease expense of approximately \$60,000 because there would be 12 months of leases for these vehicles.

Mr. Bentley: So basically there is no real mechanism to take that capital money and reserve it over there. So what I am doing is, trying to make sure through this that it's known that I gave up the capital side. So when you look at the whole ball of wax of money, I'm giving up that money in anticipation of being – able to reserve it in the operating lease and not being held against me. I'm not trying – in other words, I'm not trying to double dip it. Like use the capital and ask for more money in my operating. I'm giving it up here so that when I come back and say, no, remember, I gave this up and that this should be there.

Legislator Nazzaro: Amortization, normally you write vehicles off four years?

Mrs. Dennison: Not in the D fund.

Mr. Bentley: Because it's capital.

Mrs. Dennison: Or not in the DM fund. In the heavy equipment capital project, it's a capital project so we get the money, we buy the vehicle, the buying part is done. There is,

somewhere in the County's books some transfer (*inaudible*) that's now an asset and it's on the books as an asset but typically the DM fund does not get a vehicle allocation expense. It gets a capital budget to buy the vehicle, it buys the vehicle. But if you look at – so we're expecting that the lease and the lease cost of these vehicles is about \$60,000 and most of them are on a four year lease, that's the average, that's the plan. I mean, the vehicles, if the resale value of that vehicle, if it's advantageous to turn it back to Enterprise Fleet Management, they sell it, give us a new one, after three years, they will do that. But just assuming that we keep them for 4 years and we turn them over to a new lease, \$60,000 a year, the total lease cost of these vehicles over four years would be \$240,000. Compared to a capital purchase price today of \$250,000. So, we would anticipate that there would be a \$10,000 savings on this arrangement.

Legislator Scudder: Are these leases like a typical lease of mileage or do we just lease them for the use that we have them and mileage isn't a consideration?

Mr. Bentley: Yes. It's both actually. The way Enterprise is working it, is they set the initial lease terms based on what the prior vehicles odometer readings were. So if it's a high mileage vehicle, they will factor into the lease payment costs. As well as usage. So if it's something that we're going to destroy or used to pick up carcasses out in the road, they factor that into the lease. So they actually take mileage and general condition. There is still a market for those vehicles as they are saying. What I am looking to do is take these 9 vehicles, look at whatever period we keep them for, if they say after two years the market value for these trucks doubled, so that your cost of ownership comes very small, then that tells me that maybe we should do more of these. If my cost of ownership through a lease is on par or less than with that, maybe it's not as – either doesn't do anything or maybe we should keep it the way we are doing. So, we're going to be keeping good track records in our accounting system to know – because the maintenance, we're still going to do the oil changes, still going to do the tire changes, brakes, routine maintenance but being newer vehicles, we shouldn't be into the major repairs. So that is what I am looking for is, what is our total cost of ownership with the lease payment versus what it would have been over that same period if we bought. You can divide by the number of months and figure that out. That's my approach to this and I think it's a good way of dipping our toes in the water without jumping in and not knowing how deep it is.

Mrs. Dennison: I would just add that these are different than a traditional personal lease where we do not have a certain number of miles that we're allowed to drive. So there is no penalty for going over a designated number of miles.

Mr. Bentley: And I will say this and Kathleen mentioned it. This is unique to the DPF because most other departments that are not DPF, their vehicle expense are already in the operating. This is because I have to move money from capital to operating. It gets lost of what I am giving up to get and where other departments and also they don't potentially have the garage or the facility so I have some costs that I have to have because of the large vehicles. So I can take a mechanic that might be working on a plow truck and say, hey do this oil change. And my incremental cost to do that is very small. It's going to be an interesting time to see which way it pans out. I have some theories but I think we ought to try this. We have the ability to do it. I think it's a great opportunity. I'm supportive of it.

Legislator Nazzaro: As you know, this is an ongoing discussion. This is very thought out. The County Executive bought several of us in on these discussions to make sure it made sense and I agree Brad that we're not jumping in full but we're experimenting with this and in the long run if we can keep our repair costs down, keep our fleet and management it, it's all about the management, then, this may prove to be quite advantageous, financially, to the County. I am supportive of it.

Chairman Hemmer: Any further questions or comments?

Unanimously Carried

Proposed Resolution – Amend Resolution 99-19 (Authorize Director of Finance to Increase Appropriations for PIN 5762.12 County Bridge 998 Replacement)

Mr. Bentley: This is, I'm going to call it a rounding error by the State. They originally gave us an amount of \$2,002,000 and they have since come back and told us, no, it's just \$2 million. So, this is to correct the rounding error that the State gave us. The overall cost is \$2 million dollars and the cost of the bridge, we expect it to be under \$2 million dollars. It's not that we're going to be increasing our local share to cover that \$2,000. We do expect the cost to come out less. This is the Madison Street bridge up in Fredonia.

Chairman Hemmer: At least we know we'll get one vote. Any questions or comments about this resolution?

Unanimously Carried

Discussion – Tabled Res. No. 177-19 – Acceptance of Funds from NYSDOT for the Rehabilitate Hangar C (NYSDOT/Aviation Grant Program) at the Chautauqua County/Jamestown Airport

MOVED by Legislator Nazzaro, SECONDED by Legislator Wilfong to entered into executive session to discuss the potential sale of real property. – Unanimously Carried (4:53 p.m.)

MOVED by Legislator Nazzaro, SECONDED by Legislator Gould to come out of executive session. – Unanimously Carried (5:10 p.m.)

Other

Proposed Resolution - Authorize Acceptance of ESD Grant for North Chautauqua County Water District

Clerk Tampio: This resolution will authorize the County Executive to accept a \$1 million dollar grant from Empire State Development for the North Chautauqua County Water District. Just a quick history of that. This grant was applied for in 2014 through the CFA process by the County and with the engineers that, at the time, worked for Chadwick Bay Region Development

Corporation. The grant was awarded that year. The County Executive received an incentive proposal that said yes, we would like this grant and then in 2015, the process was started to actually create a regional water district that is now the North Chautauqua County Water District. So, the grant cannot be disbursed until the project is completed. Phase one of the project has now been completed which is the western end of the regional system, which goes to the City of Dunkirk to the Village of Brocton. It includes the Village of Brocton project and also includes the City of Dunkirk upgrades to their water treatment facilities that were necessary that the district pays for their share of through the cost of water to the City. So that is all included in this whole original grant application. So now we have before us the grant disbursement agreement which is what shall be executed and once we provide the proper documentation, that \$1 million dollars will come into our capital project. It's the first grant. We have another \$1 million dollar grant from ESD but that will come when another phase is completed.

Chairman Hemmer: Sound wonderful.

Clerk Tampio: All these grants are reimbursement grants.

Chairman Hemmer: Any questions or comments about this?

Unanimously Carried

Chairman Hemmer: Is there anything else to be discussed at this meeting?

Clerk Tampio: One more thing Mr. Chairman. I will be addressing all the committees this week. We have a tentative budget schedule for reviewing the 2020 budget once the Legislature receives it and all the reviews are to take place the first week in October which actually begins September 30th. The Public Facilities and Audit & Control will be meeting with all their departments on Wednesday, October 2nd at 9:00 to whenever we adjourn. So mark it on your calendars.

Legislator Scudder: When is Administrative Services?

Clerk Tampio: It will be on Tuesday.

Chairman Hemmer: Thank you very much for that information. Any other, under other?

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

Unanimously Carried (5:45 p.m.)

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