

Minutes

Public Facilities Committee

October 15, 4:00 pm

Gerace Office Building, Mayville, N.Y.

Members Present: Hemmer, Gould, Nazzaro, Scudder

Members Absent: Wilfong

Others: Tampio, Ames, Crow, Bentley, Almeter, Zafuto, Davis, Muldowney, K. Engstrom

Chairman Hemmer called the meeting to order at 4:02 p.m.

Approval of Minutes (9/17/18)

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

Unanimously Carried

Privilege of the Floor

Ms. Engstrom: My name is Karen Engstrom from Mayville. I just wanted to make sure that every one of you know that we thank you very much for your no PILOT resolution and that Cattaraugus County voted to pass, based on your example of the resolution that you put forward, they voted for a no PILOT for wind operations in excess of 5 megawatts. So, they used your words exactly and they followed through and they did that on September 17th. I appreciate that very much. The Cassadaga wind project is still about to begin November 1, but there is a new piece of information that has come and it's the Army Corps of Engineers who solicit comments and the comments are on page 5. It says they will decide whether to approve or deny the permit to allow the thing to go forward based on whether people express their concerns. Among those concerns would be included, conservation, economics, aesthetics, general environmental concerns, wetlands, historic properties, fish and wildlife values, flood hazards, flood plain values, land use, navigation, shore line, etc, water supply, water quality, energy needs, safety, food, fiber, mineral needs, consideration of property ownership and its value, and in general the needs and welfare of the people. I think it is yet another opportunity for us to comment. I don't know that the Federal level will do anything at this point. My printer quit on me and I only have a couple of copies-

Chairman Hemmer: I got an email about this, so if anyone else would like this paper copy?

Ms. Engstrom: Maybe I could get some copies for the next committee? I thank you. We still are concerned about the Cattaraugus- Cassadaga effort. Cattaraugus is fighting its own battles and since we have been documenting this in Wyoming, Alleghany, and Cattaraugus on film, we also went as far as Illinois, Iowa, and Wisconsin. Now that the ones in Arkwright are in operation, we went up there to visit them because we are from Mayville and we are not near there. I have to tell you, the wind sound far surpasses anything we have seen in Wisconsin, Iowa, Ohio, Illinois or Wyoming or Allegany Counties. Allegany doesn't really have any yet, but they will. The sound surpasses it by quite a bit and we have recorded that. That will be available.

Chairman Hemmer: Thank you.

Legislator Scudder: Is the public notice for the overall project or just part of the project.

Ms. Engstrom: Cassadaga is a separate wind project from-

Legislator Scudder: So, the actual project itself?

Ms. Engstrom: Yes. It is a 29 page document. You can get the whole thing. It has all the maps of the-

Legislator Scudder: I knew you read this better than I probably even will, and I appreciate that. I don't mean that in a bad way.

Ms. Engstrom: I didn't read all the details on page 2 because it was too complicated for me, but I got to page 5 and I knew it was important because it does involve the people that live there. Thank you.

Legislator Nazzaro: Thank you.

Chairman Hemmer: Thank you. Alright, let's move on to our first proposed resolution if there is no one else to speak to privilege of the floor.

Proposed Resolution- Confirm Appointment –Airport Commission

Chairman Hemmer: Is there anyone here to speak to that?

Mr. Bentley: I could probably speak to that, but it kind of speaks for itself. So, I guess I attended the last airport commission and they had made a recommendation for the appointee and put that forth to you.

Legislator Scudder: I know Joe personally and I'm sure he will do a fine job.

Chairman Hemmer: OK. Sounds good. Any questions? All in favor of the proposed resolution please say aye. Opposed?

Unanimously Carried

Proposed Resolution- Acceptance of Funds from NYSDOT for the Hangar J Door Replacement Design and Construction Project at the Chautauqua County/ Jamestown Airport

Mr. Bentley: Alright. For the hangar doors, this is maintenance that is required for the airport. We filed for a grant application to pay for the majority of the work here. This is a 90% share grant to pay for the work. Our local share would be- is estimated at about \$30,200 based on the project cost- expected project costs. We are looking for approval to accept the grant. Any questions?

Chairman Hemmer: Any questions concerning this resolution?

Legislator Nazzaro: Yes, I just- my esteemed colleague, Legislator Scudder, was asking about- we are taking this out of the reserve for fund- capital- reserve for capital and the next resolution we are taking an additional \$121,000. We do have a healthy capital fund balance, correct?

Ms. Crow: The capital fund balance, yes.

Legislator Nazzaro: I know we are using a significant amount of capital in the 2019 tentative budget- over \$4 million if I remember? So, where does this put us? Roughly?

Ms. Crow: Well, the next resolution we are amending the use of reserve for capital, but we will talk about that when we get to that resolution. So, it won't be as much as-

Legislator Nazzaro: Might as well tell me now.

Ms. Crow: It's like \$63,000 less.

Legislator Nazzaro: Less? OK.

Ms. Crow: Yes, in the next resolution. So, that was (*cross-talk.*) We still have \$2 million roughly, after what we propose to use for 2019. I believe that would have been putting us right around \$2 million- a little bit more, I don't know the exact number. I know that there will be at least \$2 million left.

Legislator Nazzaro: We are going to have at least \$2 million after-

Ms. Crow: Goes through as proposed-

(*Inaudible*)

Ms. Crow: We would still be right around that \$2 million.

Legislator Nazzaro: And do we know of any- I know you don't have a crystal ball, but we still have a couple- two and half months to go this year. Do we anticipate any other large uses of capital fund balance?

Ms. Crow: I am not aware of- I haven't been- I suppose unless the FAA comes with another project that they are approving, but to that point, just as a reminder once we- when we initially removed all of the airport projects from the normal planning board cycle, the intent was that once the FAA- well this doesn't include the federal funding anyways, but we did intend to fund the airport projects as the funding became available rather than approving it in the capital budget and waiting and waiting, sometimes years before funding became available for that project. So, that is why we are proposing to use the reserve for capital because that was kind of the plan when we-

Mr. Bentley: Instead of reserving it for three years. Reserve it only as needed. Knowing that as they come up, the expectation would be to fund it.

Legislator Nazzaro: OK, I just wanted to make sure that- I thought that we had still a fairly healthy capital fund balance, I just know we are using a lot of it and we had of course the big accounting adjustment, we will call it, moving money into there. We had some pretty good discussions during our budget hearings about are we getting a little too aggressive? Everything is needed? In the past, this is an opportunity to- the other items, not really this, but the other items- George would have been very happy if he was still here.

Mr. Bentley: He would have been happy, but he would have said that he is still short. One of our other resolutions is actually a factor into why we do need that money. Our maintenance budgets are going up and part of that is what we are asking for in the last resolution. So, that is indicative of having old equipment. It's just like having an old car, you pay by the month or you pay by the repair. Well, we are paying by the repair right now. We are trying to keep the machinery running, but in order to keep that going we do have to do maintenance on it.

Legislator Nazzaro: Thank you.

Legislator Scudder: Couple questions. I know when we accept Federal money there is an obligation on our part- where I'm going with this is I'm not a big fan of keeping the airports or I guess I question if we should still be in the airport business, if you have watched my votes over the last few years. When we take Federal money there is an obligation or some type of- they assign it a time-

Mr. Almeter: It's a grant assurance so we have to-

Legislator Scudder: So, the runway might be 20 years or a hangar might be 10 years or whatever. Are there any strings attached to accepting New York State money as far as-

Mr. Almeter: There are grant assurances, but there is not a payback period grant. The grant assurances with the State money- this is entirely State funded with the local share. With

State money, the grant assurances focus on getting fair market value for the use of those facilities, not on a payback period.

Legislator Scudder: So we could accept this money and in a year we decide we are getting out of the airport business and have no obligation?

Mr. Almeter: Right. What we couldn't do is take that hangar and rent it to somebody for free.

Legislator Scudder: Got it. As far as the door itself, this is definitely a need and not a want because we have funding available for it? Can you tell me a little bit about that?

Mr. Almeter: Yes. First I would like to clarify a little bit who has the responsibility for the door. When the County renegotiated the FBO lease with Jamestown Aviation the door maintenance responsibility- hangar door responsibility was very shrewdly put into the leases area of responsibility. So, Jamestown Aviation is responsible for maintaining the door- routine upkeep, but the County's responsible for repair by replacement when it reaches the end of its useful life. So that's where that door is at. It has had its useful life and in fact, one third of the door has failed completely and can't be used. The FBO basically- it's a three part door with mullions that divide each part. One part of the door has failed completely and the mullion has to remain in place to provide support and keep the thing from blowing in. We are at the point where we either have to reduce the tenants rent because we haven't given them a functional facility, or we have to replace the door.

Legislator Scudder: OK, thanks.

Chairman Hemmer: And the rent- we collect the rent, or the FBO collects the rent? This is Jamestown so the County collects the rent and it is a firm fixed price for all of the FBO facilities.

Mr. Zafuto: Its \$6,120 a month, currently.

Legislator Gould: You might have answered some of my questions. I was wondering why it costs a third of a million to replace a door and a half a million to replace a building. They seem pretty close.

Mr. Almeter: That is a good question. The FBO building was built with a door- a kind of odd sort of door. It has got these center mullions that act almost as a curtain wall that you are holding up. There is no practical replacement for that today. It's an old hangar and there is no practical replacement for that type of door. We have to put in a bi-folding door or some door that relies on the structural features of the hangar to support the door. The structural component to this door replacement adds cost. The hangar replacement- there is a bigger local share on that, but it is also a more conventional standard building design-

(Cross-talk.)

Legislator Gould: Fair enough. I thought I better ask.

Mr. Almeter: I'm not happy about it either. We are paying for some engineering and potentially for some structural improvements to make that door work.

Legislator Gould: It's got to work. Thank you.

Chairman Hemmer: And we did do study- it is better to just replace the door than to consider the hangar?

Mr. Almeter: The hangar itself isn't in bad shape. It's condition space. It's got very high clearance which makes it suitable for putting jets and a full portfolio of airplanes in there. The building itself is in pretty good shape. This particular building- the FBO leases several buildings airport but this particular building is their high use. It's their transient repair facility so those doors are getting used constantly and I think over the years it is just getting worn out. It wasn't the best design to begin with. It gets a lot of use.

Chairman Hemmer: Any other questions concerning this?

Legislator Nazzaro: When was that hangar built? The one where the door-

Mr. Almeter: I have to look it up to give you an accurate answer.

Legislator Nazzaro: I was just wondering. Hoping that the building will last longer than- you know, you are putting this kind of investment in even though you are getting 90% from the State that the building will be around for twenty years.

Mr. Almeter: The building is probably 50 years old.

Legislator Nazzaro: I was going to say it's probably from the 70's.

Mr. Almeter: I'll look it up and get a definitive answer to you. We have looked at the buildings. We had a building condition assessment done by CNS engineering- a third party consultant. They didn't take an in-depth look at it, but the structural elements, the roof, the building skin is in good shape, the heating plant is in good shape. Another point to consider is that Jamestown Aviation is responsible for all of the maintenance on the interior of the building and all of the mechanical and electrical plant. So, they have to continue to maintain and keep those systems in good condition.

Legislator Nazzaro: And we monitor that to make sure they are complying with the terms based on other things that have happened? I would hope that they are maintaining that building and we are not going to be surprised by something.

Mr. Almeter: We have stepped up the pressure. We have written a couple of letters and held them to task. We have been well supported by the State Fire Inspector who has been very

(*inaudible*) in her inspections. They got a good deal with the new lease and with that good deal, comes some responsibility and we are trying to enforce those responsibilities.

Legislator Nazzaro: We want to make sure it is not just on paper only.

(*Cross-talk*)

Legislator Scudder: It's an interesting dynamic when it becomes maintenance to replacement. When did that happen?

Mr. Almeter: That was in January of 2017. We amended the lease that converted their payment structure from a fee for task to a firm fixed price. With that structural change in the lease, the tenant was given a responsibility for all the interior buildings systems and the County was given a responsibility for the building (*inaudible*) excluding the door. Maintenance responsibility with the door stayed with the tenant.

Legislator Nazzaro: So actually, the maintenance of the door stayed with the FBO and by replacing the door, we are really helping the FBO because he is not going to incur maintenance costs.

Mr. Almeter: I didn't bring the lease with me, but there is language in the lease that says routine normal maintenance.

Legislator Nazzaro: This is like when you have a roof- tearing it off and putting new boards versus fixing it?

Mr. Bentley: You can say end of life on a roof is 20-30 years. Maintaining a door that isn't functional and saying that no matter how much maintenance I do on this door isn't going to fix it, kind of gets you to an end of life-

Legislator Nazzaro: You said the FBO-

Mr. Almeter: Jamestown Aviation.

Legislator Nazzaro: Gets the rent? Who gets the rent?

Mr. Almeter: The County gets the rent.

Legislator Nazzaro: I just wanted to make sure. Again, I just want to emphasize that we are holding them to their agreement to maintain that hangar to proper safety-

Mr. Bentley: Like I said, we certainly have the use of the State Fire Inspector to assist in that to reinforce our requirements, as she does for all of our buildings. She keeps us in line.

Chairman Hemmer: Any other questions concerning this resolution? Just on a side note, what is- do we know- have we heard anything about the central air service? Is there a final determination there?

Mr. Bentley: No final determination but we heard the funding got approved through the FAA-

Mr. Almeter: The EAS program has been fully funded to the Department of Transportation. The most recent conversation I've had with the EAS program office was the date of the September Legislature meeting- was the last conversation I had. The message was kind of cryptic. Basically what they are telling me is that they need to fund – make sure that they have funding for all of the active EAS contracts first and if there is funds remaining, then we have what they consider a technically responsive proposal for a reinstatement of the contract. At the same time that I talked to Allison Hunt from Congressman Reed's Office and she says they are in contact with the Department of Transportation routinely to query the issue and they have been told essentially the same thing. I talked to (*inaudible*) today. They haven't heard anything new.

Chairman Hemmer: There is no prediction of when they will make that determination?

Mr. Almeter: They have told me soon, but that was three months ago.

Mr. Bentley: Soon is a relative term, I guess.

Legislator Nazzaro: From what I have read, there is only six approved?

Mr. Almeter: That was with regards to the contracts that were up for renewal in Pennsylvania. Basically the routes that converged on the hub- the Pittsburg hub. Now, I can share with you some frustrating information. The Department of Transportation issues a preliminary termination order every year for all of the EAS routes that are not compliant with the EAS program guidelines. There are essentially two guidelines that are germane to airports like Jamestown. One is the per capita subsidy of \$200 per seat per rider and the airport enplanement rate- a tentative termination order was issued in August for 26 airports and the Airports were given a relatively short period of time to submit a waiver request. All of those airports submitted- there were 26 waivers and 21 of them were for airports that were not compliant with these guidelines. All 21 of those airports submitted waiver requests and all 21 were granted. In some cases, I think three cases, the airports or the routes were non-compliant both in terms of the enplanements and the subsidy cap. That was the same situation we found ourselves in last December when we got the final termination order. We submitted our waiver request and it wasn't granted. These 21 airports- every one of them that was non-compliant submitted a waiver request and it granted. So what do you make of that? I don't know.

Legislator Nazzaro: It's not good for us. Our subsidy rate is like over \$680, isn't it?

Mr. Almeter: It was a lot. You can look at that and interpret it in a couple of different ways. One way to look at it is that the program office is leaning forward, trying to find a way to say yes to keep these airports in service. Another way to look at it is that we were the low hanging fruit. We did not have a good track record at all, so we were an easy target to cut.

Mr. Bentley: But we are trying to change that with the new airline. We are a little bit more focused on actually making routes and doing times that make sense for the business community. There is a little history behind it.

Chairman Hemmer: It's a- to me, it seems like beating a dead horse.

Mr. Bentley: So, the answer of the question is we are still waiting.

Mr. Almeter: I don't know if you can make any predictions based on that information.

Chairman Hemmer: Right. Should we be exploring the possibilities of shutting down one or the other, or both?

Mr. Bentley: I would wait until we have a final answer before you go down that road.

Mr. Almeter: You will recall that we did undertake a study, the Wiederman(?) Study in 2015 and 2016 and I think there are elements of that which are still very germane to the situation.

Chairman Hemmer: Yeah. The studies are wonderful. I know there is another one coming up with the master plan. OK, any further questions or comments? All in favor of the proposed resolution say aye. Opposed?

Unanimously Carried

Proposed Resolution- Acceptance of Funds from NYSDOT for the Replacement of Existing Bulk Hangar No. 3 and Construct Public Safety Hangar Project at the Chautauqua County/ Dunkirk Airport

Mr. Bentley: This is to replace the bulk hangar and construct a new hangar up in Dunkirk. Again, this is New York State DOT money. However, this is 21% locally funded grant of which the idea was to self-perform the demolition work with our own internal crews as part of that local share. That is also some of the reasons that Kitty will speak about. Some of the changes in red is to actually account for some of that self-performance now instead of picking up later in the process. Again, this is a hangar that is past its useful life and really does need to come down. It really is in a state of disrepair and- do we got pictures?

Mr. Almeter: We do. The hangar is completely out of service at this point because it is in such bad shape.

Mr. Bentley: Again, we are looking to tear it down and build a new-

Chairman Hemmer: Which one is it?

Mr. Almeter: It's hangar three, which is- it has a box around it. This one right here.

Chairman Hemmer: OK.

Mr. Almeter: That was built in 1946 or 1948 depending on what documents you look at.

Chairman Hemmer: The door is up. Is it permanently up?

Mr. Almeter: The door was homemade. It was actually made on site by the-

(Cross-talk)

Mr. Almeter: out of scrap metal.

(Cross-talk)

Legislator Gould: It will probably last longer than the new building.

Mr. Almeter: It has lasted over 50 years- about 65 years.

Chairman Hemmer: OK.

Mr. Bentley: All good things must come to an end. Any questions on the project in general that we are trying to get accomplished?

Legislator Scudder: We are still running the Dunkirk Airport, right?

Mr. Almeter: The County runs the airport and CREDC has the lease operate license on the FBO.

Legislator Scudder: I was actually going to ask what Jay asked about the \$300,000 for a door and \$500,000 for a hangar, but we got that answered. What happens if we don't rebuild this?

Mr. Almeter: It's not generating revenue currently because we can't put an airplane in there with confidence that we can get the door open. We can get the door open sometimes, get an airplane in there, close the door, and the door will stick or hang up or the cable will fail.

Legislator Scudder: Where are we at in our marketing of the Dunkirk Airport? That was a big push back when our new County Executive was coming on board. Maybe its just me, but I haven't seen a whole lot going on. That isn't a criticism that is just an observation.

Mr. Almeter: Its' deliberate, to be honest. I don't want to over-promise. We had initially entered into the lease operate agreement with CREDC with the expectation that we could attract a private sector lease operator and have that in place last Fall. We put out solicitations and pretty broad distributions. We had some interested parties but nobody came through. We sat on that through the summer with the intention of developing a good business case based on revenues through the flying season. We've got that financial report from CREDC and what they are showing is ten months of operation at a zero net profit. A big piece of that is the decision to right off the full cost of the capital equipment that CREDC bought from Dunkirk Aviation to standup

the business. They bought the re-fueler trucks, they bought the courtesy van, an aircraft tug, and some other equipment. They wrote that off to the tune of \$53,000 and in that, it wiped out any profit that we would have shown through August 31st. We have had a pretty good summer and we have picked up the rental occupancy to the point that I am pleased to report that this weekend a new business moved into hangar 8. It's our 7,000 square foot heated hangar at a rental rate of \$1,000 a month and brought a new business to the County. An aerial applicator- pesticide applicator- a crop duster business moved up from New Jersey. That brings jobs, airplanes, and business to the County and it brings rent to the airport. So, we are doing better. I think that a P and L for a full year of operations, which would be through the end of October, will look reasonably attractive to a cost effective efficient operator. What we don't have, and what hampers our efforts to market the airports to the private sector, is we don't have a flight school, we don't have a maintenance shop, and we don't have that critical mass of commercial airport services or business airport services that cause high rent tenants to come to the airport.

Legislator Scudder: That we had before-

Mr. Almeter: Dunkirk Aviation had that, but they also had it in Jamestown and the reason that they shut down their business in Dunkirk is because of the economies of scale. It made a whole lot more sense to manage those business lines under a centralized home office overhead than to have two separate administrative staffs-

Legislator Scudder: But moving it to Jamestown without having it in Dunkirk- this is a lot of my struggle. They couldn't make it work and we are trying to make it work. That's my observation.

Mr. Almeter: This hangar is a part of the answer. The big rent comes from renting hangar space to jet owners. Jet owners want heated hangars. The hangar that we have proposed is going to be a heated hangar with a higher door so you can get jets in. Right now we only have two hangars that can accommodate jets over in Dunkirk.

Legislator Nazzaro: Are they at capacity?

Mr. Almeter: They are.

Legislator Scudder: What can we get- do we have a revenue projection on this hangar?

Mr. Almeter: We do. We are forecasting \$1,200 per month in straight rent. Now, part of the justification for this hangar was that this would be used for Public Safety use. Currently, we are getting \$800 a month in rent from Starflight to host their aircraft, the MD900's in hangar 7. The intention is to be able to put that helicopter into a part of this hangar at \$800 a month and to put a second aircraft, probably a jet, into this hangar for an additional- minimum of \$400 a month.

Legislator Scudder: So, is that the County paying the rent for the helicopter to be there?

Mr. Almeter: I'm told that Starflight does not use County money for operating funds.

Legislator Scudder: Do you see where I'm going with that? The County is paying the County.

Mr. Almeter: I know the County pays some of the salaries for the pilots and some of the crew-

Legislator Scudder: Can I call you someday and get a tour of the Dunkirk Airport?

Mr. Almeter: I would be happy to do that. In fact, we take the Airport Commission over there at least once a year and it is probably time to do that again.

Legislator Scudder: Well, I want to be invited.

Mr. Almeter: I would be happy to. So just to kind of close the loop on where we are at on marketing the airport- I have not made any predictions there but I think we are closer to having a marketable property. Certainly this gets us closer because this is a good revenue producing building once we replace it. We have some very legitimate parties that are interested in coming in and operating the FBO in conjunction with operating a flight school. There are two parties that are interested. One is out of Rochester and one is the operation that is moving in from New Jersey. I think that is what it is going to take to make a viable-

Legislator Scudder: to bring it all together.

Ms. Crow: I can talk to the amendments on the resolution.

Legislator Nazzaro: Then I will add my- maybe you will answer my questions as you go through it.

Ms. Crow: In the fifth WHEREAS there is some changes in the language there. Some of this project is going to be completed work from our own employees, so that will come from the existing budget in the D fund. The wording is just changed there that it will- some of the local share contributions will be in the form of personal services and employee benefits. The first change down at the bottom- the fourth resolved which is changing the amount of the use of fund balance from the reserve for capital. The amount of reserve for capital to make up the other share of the local component is now only \$57,800. The next resolved would add two sections for some amendments to increase appropriations to reflect the transfer from capital, which would be the use of the reserve for capital of \$57,000. That will be transferring from A to the H fund where the capital project is budgeted. Then additionally, adding the interfund transfer from D to H, so that will go from the D fund to the H fund. Those two total the interfund revenue in the H fund project. We will also be decreasing the labor in the D fund- the labor and benefits to the total of \$63,580 because what technically happens, accounting wise is the wages and benefits are now budgeted in the D fund, but we will be doing a payroll allocation to the capital projects. The total wages and benefits in the D fund will be less than what is budgeted now because there will be a credit there. Then, that decrease in appropriations for personal benefits corresponds with the D interfund transfer to capital.

Legislator Nazzaro: I think I am a little more confused than what my question was going to be. Here's my question. We are using our own labor to build this?

Mr. Bentley: Let me see if I can do the-

Legislator Nazzaro: No, let me ask this question. If we were to do this my question was going to be, I want to make sure we weren't doing a shell game here. Meaning, at the end of the year we do all of our budget reconciliations. Instead of taking \$121,000 we are taking \$57,800 out of the capital reserve. At the end, I don't know- I better clearly state this. If we were to do this- first my questions was going to be, we would have a bigger surplus in the fund balance when we do all the reconciliations because you're decreasing the labor here.

Ms. Crow: That is why we have the inter- corresponding interfund transfer. This is an expense here. This is increasing the appropriations. So, this is just to reflect all the accounting transactions that happened because the total cost of the project has to be fully recorded in the H fund so that we capture the total cost of the project. We don't want to just do labor here and materials and everything else here because at the end of the day we need to know what the total project costs so that we can depreciate it when the project is completed. The total cost of the project and the total revenue associated with the project is budgeted in the H fund. We are using part of the reserve for capital to fund the local- part of the local component obligation of this project. We are using what is already budgeted for in labor in the D fund and transferring- effectively transferring that over to the H fund.

Legislator Nazzaro: If we were to do that wouldn't we have excess in the D fund?

Ms. Crow: No because we wouldn't do- we have to have all of these transactions so that everything is properly accounted for. If we didn't do it then, one is all of the costs wouldn't be charged to the H fund and two, the D fund would have incurred costs that weren't properly D fund expenses, they are capital project expenses.

Mr. Bentley: I had to ask this question so that I understood it. So, when I look at it I take the full year. I have so many labor hours, right? That's a fixed cost. When I do my budget I (*inaudible*) on maintenance projects and so much to work on capital projects, right? The expectation- so whatever that split is, that's the expectation. So, when it comes down to actualizing this- when you come down to a real project like this and you go well jeez, I think I may have allocated this project- didn't have any capital man hours applied to it, so it's still a fixed ball of number. All I'm doing is adjusting that percentage. I'm going, well what I would have charged maintenance here during the year because those- if those guys aren't working on demoing the hangar and being applied to a capital project like that, they are going to be out doing some other maintenance because they are not on capital. It's a zero sum game at the end of the day. All she is doing is doing the accounting adjustments to make sure that we aren't charging to maintenance, we are charging to capital.

Legislator Nazzaro: So if you were to do this, then you are saying it would be charged to maintenance or do you have excess in your budget under-

Mr. Bentley: We have maintenance (*inaudible*) galore. We have maintenance that doesn't get done. At the end of the day it could be road maintenance where we are doing shoulders, it could-

Legislator Scudder: You would find a use for those hours?

Mr. Bentley: Yes because we put our employees to productive use. We are not going to have them sit and just do nothing. We will have them paint the shops, paint the plows, we are doing vehicle maintenance, we are doing-

Legislator Scudder: You are just making a maintenance (*inaudible*) withdrawal.

Mr. Bentley: Right. So basically, we are deferring maintenance to do a capital project if you think about it that way.

Ms. Crow: Yes.

Legislator Scudder: Makes sense.

Mr. Bentley: Does that help?

Legislator Nazzaro: It does.

(*Cross-talk*)

Ms. Crow: We have already- in the budget every year there is- in the D fund, there is a credit for payroll allocations that are going to go to capital projects because there's always labor. If you look at the line item detail you will see wages is one amount and then you're going to see payroll allocations is a minus- it's a credit amount. This is just making amendments to that wage line and the credit for the payroll allocation for this project.

Legislator Nazzaro: I will say thank you both. This one I have a little more difficulty with than the door one- or the one at the Jamestown- the Jamestown is currently heavily used. That's what I heard and the activity is part of the reason the door needs to be replaced. The hangar at the Jamestown Airport has heavy use and you need to replace the door. This one is- don't get defensive- it's almost like saying build it and they will come and we are building a hangar- I don't care, I really get concerned about yes, its State money but it is tax payers money. If we don't take it, someone else takes it and I always hate that explanation because it's like- at the end of the day we are all paying for it. I just have an issue with that because now you are going to be putting- generating \$1,200 a month in hangar rent. Is that the most you can generate from that?

Mr. Almeter: Not at all. In fact, to your point about if you build it they will come, we had a jet operator come and look at the airport and offer to rent hangar 8 if we made certain improvements to it at \$1,200 a month and we weren't in a position to fund those improvements. So, he is leaving his airplane in Olean and we are not getting that jet at Dunkirk. There is- the demand is there. The second point in terms of return on investment is that when we complete this

hangar door in Jamestown it will net us no additional income because Jamestown Aviation is paying a firm fixed price. It will save him maintenance costs, but it will net us no new income as opposed to the Dunkirk hangar which will net us a minimum of \$800 a month and I'm confident we will see that-

Legislator Nazzaro: I guess the only thing I would have liked to see was maybe a (*inaudible*) of what this hangar would generate. I heard \$1,200 and then I hear the \$800 because the helicopter will be in there. What is the potential of this hangar? If you are going to build something, realistically, if you were able to fill it up with jets or helicopters or- what is the- at the current rental rates, what do you think you could generate per month? Realistically?

Mr. Almeter: \$1,600 above cost per month.

Chairman Hemmer: Above cost?

Mr. Almeter: Above utility costs.

Legislator Nazzaro: But did you factor in the cost of building this?

Mr. Almeter: That's just the revenue stream.

Legislator Nazzaro: So, you are saying \$1,600 revenue per month? Plus you've got the- you said above cost.

Mr. Almeter: The utilities.

Ms. Crow: What do you think the useful life of the hangar is?

Legislator Nazzaro: Probably thirty years. I don't know.

Mr. Bentley: To go back to your question. It's a little hard to judge, per say, on the demand obviously. But we aren't getting revenue, why? Because it's not functional. For me, it's not a question of- if you don't do it, you're never going to get anything and like Ron said, we have people looking at it and saying we can't come here because it doesn't work.

Mr. Almeter: When we put the proposal together we went to Starflight and got commitments that they would continue to base their aircraft there and continue to pay \$800 a month and they would value that heated hangar.

Legislator Nazzaro: Kitty that would have no effect on the County budget? Starflight paying-

Mr. Almeter: They are currently paying \$800.

Legislator Nazzaro: They are currently paying \$800, but isn't Starflight no cost to the County? They have the ability to pay for that? They are paying \$800 now?

Ms. Crow: Yes.

Legislator Scudder: We went over that already.

Legislator Nazzaro: I know, but it's not new money coming in, it's just moving it from one hangar to the other?

Ms. Crow: That \$800- that's revenue in their budget, but the Starflight program itself on their own budget line item, they are break even. They are a separate-

Legislator Nazzaro: So it is not new revenue?

Ms. Crow: No, it's not going to be incremental.

(Cross-talk)

Ms. Crow: Well over thirty- assuming it's new- the \$1,600 is new revenue a month, over thirty years, we will have \$576,000. If you subtract the County's investment of \$121,000-

(Cross-talk)

Ms. Crow: That is \$454,000 over thirty years that we wouldn't otherwise have.

Mr. Scudder: I have a comment and then a question. Say this Olean- now, I want you to appreciate me tonight, right now, right here. I'm asking more questions instead of just voting no, I'm trying to really get my head wrapped around this. I apologize for not doing that in the past, but the heck with that, we are moving forward. If this jet comes in, lets say from Olean, does our cost of the operations of the airport change at all? Are we pretty much fixed? Let's say we get four tenants into this hangar, is our operating cost going to go up? Do we have to plow more often? Do we have to be open longer? Do we have to- is it going to cost us \$2,000 to keep-

Legislator Nazzaro: Will there be more variable costs?

Mr. Scudder: Yes. Does that make sense?

Mr. Almeter: Yes, it sure does. That specific question was answered- was addressed in this Weideman(?) Report.

Legislator Scudder: That was so long ago. I read it and don't remember.

Mr. Almeter: I'm going to get the number wrong. I will go and dig it up and send you the number. I recall- a corporate based aircraft generates about \$35,000 a year in net increased revenue because of fuel sales, landing fees and services and hangar rent. The hangar rent is really a small component of that. I can give you more empirical-that's a study. From an empirical perspective, we make far more money in the fuel that we sell to Lou Herschel (?) for his aircraft

that are parked in hangar 6 than we do in the \$1,200 month rent we get from him. When you come to the airport, soon, I'll show you that. It's amazing how much fuel he buys because he is flying those airplanes. It's a little too narrow of focus to simply look at the rental revenue and justify the return on investment based solely on rental revenue. I don't have reason to doubt this study. He is a nationally recognized consultant- \$35,000 a year

Legislator Scudder: I'm going to wrap up my talking by saying I'm going to do something that drives me nuts when Legislators do it- they justify their vote. I really don't care, just yes or no and let's move on. I voted for the door because we needed it. I'm going to vote for this with the anticipation of, and I'll be real funny here, the Dunkirk Airport taking off business wise and being good for the whole County, which was what was discussed with the County Executive. That's why I'm voting that way. If people are keeping score at home they are going to wonder why Bob Scudder voted yes for anything for the airport. Thank you very much

(Cross-laughter)

Mr. Bentley: I really appreciate that. There are going to be people falling out of their chairs.

Legislator Nazzaro: I was going to be-

(Cross-talk)

Legislator Gould: Do we need an amendment?

Chairman Hemmer: Yes, we are going to have to do that.

Legislator Nazzaro: Based on everything I heard, and I appreciate the discussion on the fuel, that is a big factor. We have had these discussions many times about the airports. They do have an economic impact too as far as industrial and economic development. So, I put my trust in you guys.

Mr. Bentley: We have a job to do and a duty to perform. Our job is to run as efficiently as we can. Getting these grants is actually a benefit because it does reduce what would otherwise be a County requirement- we do own-

(Cross-talk)

Legislator Nazzaro: I will say that going forward with something like this- it doesn't have to be real- you don't have to have pictures, but something showing how much it could generate as far as revenue, fuel costs because then it would save a lot of time for everybody trying to go through it. It is, to me, a business plan. This is what we are doing here, a business plan to improve the airports. I'm done.

Mr. Bentley: Point well taken and I'm new here, so you may see a little different way of doing things.

Chairman Hemmer: So, now we have to figure out- do we- can we just do this by substitution? We need a motion to accept the resolution by substitution, right? We vote on that first and then vote on the amended?

Legislator Scudder: So moved.

Legislator Nazzaro: I'll second.

Chairman Hemmer: All in favor of accepting the revised resolution please say aye. Opposed?

Unanimously Carried to Amend by Substitution

Chairman Hemmer: OK, we have now accepted the revised resolution and all- is there any discussion? All in favor of the resolution? Opposed?

Unanimously Carried

Proposed Resolution- Amend 2018 Budget for Public Facilities Airports Division

Mr. Bentley: Let me see if I can explain this. What we are trying to do is we had a budget for the Dunkirk Airport. Obviously we have already discussed some of the revenue and expenses. What this is, is basically we are running over budget on the expenses due to some of the maintenance that was required when we took it over. What we are doing is we are funding that through the Jamestown Airport (*inaudible*) and I'll just let it be known that we had some extras there that we are using. If we need something for the Jamestown Airport we will have to come back for that. If we get a new airline in and we have to make some renovations in there, this money was originally (*inaudible*) for that. So, I'm kind of deferring that discussion to a later date because I'm using up this money. I'm just using what I got. I think that is the right thing to do at this point. This is in light of what our expected revenues are going to be- our best guess at it. It might be a little different than what comes in, but it's our best guess at it. The account numbers in there are reflective of those changes. Any questions?

Chairman Hemmer: It's just like one of our normal yearend resolutions, right?

Mr. Bentley: Yeah, I think right now we are having to do overrides-

Mr. Zafuto: Yes we are. We've had to for like the last two weeks.

Mr. Bentley: So, we are over.

Chairman Hemmer: Alright, any questions? All those in favor please say aye. Opposed?

Unanimously Carried

Proposed Resolution- Adjust DPF Large Equipment Capital Account

Mr. Bentley: This one is basically to account for surplus equipment that we are selling and to be able to use those funds to be able to purchase sanders for our trucks. So basically, we sold equipment to buy some new equipment for the winter season. It's really just an authorization to use that money.

Legislator Scudder: What are we selling?

Mr. Bentley: It was various vehicles.

Mr. Zafuto: It was various. It was three or four different pieces of equipment, one pickup truck and a couple of other things.

Mr. Bentley: Just old equipment that is not useful anymore.

Chairman Hemmer: Do you sell it on Ebay?

Mr. Zafuto: It goes through a specific process through Auctions International.

Mr. Bentley: The pickup truck was one year from being able to put classic plates on it.

(Cross-talk)

Chairman Hemmer: Any questions concerning this resolution? All in favor of this resolution please say aye. Opposed?

Unanimously Carried

Proposed Resolution- Amend 2018 Budget for Environment, Public Facilities Road, and Public Facilities Road Machinery Divisions

Mr. Bentley: This took me a long time to understand. What this is, is to catch up on a couple things that we notified you- probably about a month ago. So, this is in line with those same expectations. For the most part, nothing has changed except for one or two- I'll go over it. The first one is highway improvements. So the \$700,000 is to cover our cost for improving the roads up at the windmills. Again, our- we had issued a permit fee to the windmills to give us money to repair those roads. They did do that, so this is to get that money into the highway improvements so that we can pay the bills that we have spent. That's the first line item. The second one is the \$500,000 of snow removal. Again, this goes along the same lines of having to buy salt and being able to have our barns full at the beginning of the winter season. The \$500,000 is our expectation to fill the barns at the beginning of this year. We will see how the winter progresses. If it is an aggressive where we go through a lot of salt, I may be back again to ask for more money so that I don't empty the barns and have to wait until January 1st. This is a little bit of who the accounting change is effecting us going from the inventory module to an expense module. This is the result of that and it's very self-explanatory there.

Ms. Crow: In this year where we- the accounting changed, we have this one year where it hadn't been budgeted for to just be expensing the salt. After this year it's planned that it will be expensed each year.

Mr. Bentley: And as we all know, one year can differ from the next. Just because what we budget- we buy what we need to do to make the roads safe and the travel- you know, make sure the public safety is best served.

The third item is contractual road machinery for \$150,000. That is due to the gasoline price increase, so that is our expected gasoline fuel purchases which is inclusive of the Landfill.

Mr. Zafuto: The landfill is not in that.

Mr. Bentley: Alright, I take that back. It is not inclusive of the Landfill. This would just be for the Highway Department. The \$180,000 is for the increase in the diesel price. The \$100,000 on the last one is for the maintenance and the vehicle repairs. As we talked about before, other reasons why we are looking to use the capital money to purchase additional vehicles is our maintenance costs have increased and this is indicative of that. Any questions on that one? The last one is for the Landfill. This is the environmental recycling. This is due to the City of Jamestown sending their recyclables up to the Landfill and our costs have gone up, but so has the-

Ms. Crow: It's offset by revenue.

Mr. Bentley: It is not just a cost. So, those are the reasons for the increases. Then, the decreases for- so, what we have done is took a-

Ms. Crow: We made them scour their budget for any-

Mr. Bentley: We found some loose change in our personal services. That is actually what is remaining of my administrative assistant. The only thing left is the little bell in front of my office that says ring for service. If you want to take that last little part away, that is maybe like two bucks.

(Cross-talk)

Mr. Bentley: And then contractual public facilities admin- again, that is just the same thing right, just different-

Mr. Zafuto: Yes, its-

Mr. Bentley: It's the benefits. Contractual maintenance of roads- I know that was kind of one that we said savings based on year to date trend. That one is kind of hard to predict. We will see where that comes in at.

Legislator Nazzaro: They're trending lower than budget, so we are proposing to reduce that line item by \$50,000.

Mr. Bentley: That one might be a little misleading, but I'll go with it for now and then we'll see where the invoices come in at the end of the year. So, the increase in the revenue accounts- the first one is miscellaneous- the workers comp rebate. The next one, the \$143,000 is Marchiselli. This is more of a timing issue of – because they refund us late, so it's a timing of when those funds would come in. That's our expectation and we are going to get those funds-

Ms. Crow: The Marchiselli and the Federal Aid- these are surpluses already in this year. Again, because there is a lag time in terms of when the work is done and when the claims are sent, then we receive the funds so the revenue is received, but the work was done prior.

(Cross-talk)

Mr. Bentley: In the revenue accounts, since we're selling fuel- since we have fuel, we are selling it to other parties and the price is higher so we actually have increased revenues because of those higher prices. So, the diesel, municipal gas- equivalents that to what our expected sales are. Same with the interfund, that is selling within our own County Departments instead of external to like the school buses. The \$50,000 recyclables- that's again, Jamestown. The last one is-

Legislator Nazzaro: The one I don't like.

Mr. Bentley: The sales tax-

Ms. Crow: I can talk to the sales tax. So, we are running- which we talked about during the budget hearings- the sales tax is running the surplus this year. It's projected to probably be closer to \$900,000 in total. When we were putting this resolution together and looking for areas to offset the need here, we contemplated whether we would potentially use D and DM fund balances, which is certainly still an option or use a surplus that we know was already a surplus in the overall budget. Also, in consideration of what we had already put together in the tentative budget for the use of D and DM fund balance, we were trying to be conservative of not trying to use more D and DM fund balance. Certainly this is the proposal on the table, but if any of the committees of the Legislature feel that it would more appropriate to use D or DM fund balance we can certainly amend the resolution. We definitely will see the surplus in the sales tax. We are already here, in terms of the surplus. There is not risk, in my view, that we wouldn't- that something is drastically going to change in our sales tax receipts and we are going to fall off the chart in terms of what we expect to receive by the end of the year.

Legislator Nazzaro: I have one question and then a comment. The question is, I just want to make sure the first item that Brad mentioned was the increase in appropriation of \$700,000 for the roads. The Arkwright, I'm assuming, the windmills beat up our roads to death-

Mr. Bentley: Yeah.

Legislator Nazzaro: That reimbursement is down below?

Ms. Crow: No, actually-

Legislator Nazzaro: Are we getting reimbursed?

Ms. Crow: We did get reimbursed and that was receipted in 2017.

Legislator Nazzaro: We got reimbursed ahead of time?

Ms. Crow: Well, the-

Mr. Bentley: They paid us- the actual permit fee itself was like \$913,000.

Ms. Crow: That was receipted in 2017, so that was a surplus at the end of 2017 and when we were doing all of the other adjustments for the inventory and the cleanup at year end, that surplus was part of those adjustments. At the end of the day-

Legislator Nazzaro: The permits more than covered the- I want to make sure the permits-

Mr. Bentley: So, basically the cost that we are looking- that I'm aware of right now- I asked Drew this question. We are right around \$825,000 in cost to rebuild the roads. I think that is a pretty good number right now. However, from the accounting side of it, it's only the \$700,000 because I already have some money already in there. So, this is the net that I need-

Ms. Crow: The net increase-

Legislator Scudder: What did we get for the permit?

Mr. Bentley: \$913,000.

Legislator Nazzaro: Thank you for clarifying because I know that during our budget hearings we talked about that-

Mr. Bentley: I would have put those numbers on there but it would have confused everybody because you don't see those numbers on the sheet itself.

Legislator Nazzaro: The only observation I have and I'm sure we all have is this- if we did not have the additional sales tax that is in here of \$723,000 this budget ran over by at least that. So, to put it another way, if it had not run over we could have been adding that sales tax to the fund balance through- Kitty, you mentioned that-

Ms. Crow: Yeah.

Legislator Nazzaro: You mentioned you have different ways of doing it. You could do it- at the end of the day we are over budget by well over \$700,000.

Ms. Crow: Yes. A big component of that is the fuel and the salt.

Mr. Bentley: You have to really take this in context because of the way the accounting works versus the way in reality it is of how it is really not that much over budget. We got- the permit fee got subsumed into the general fund, if you will. It really should have just been capitalized- or sent right to the capital. It should have been zeroed out.

Ms. Crow: It didn't go to the general fund. It went to the D fund balance and we would have had to use D fund balance to-

(Cross-talk)

Ms. Crow: to offset last year's adjustment anyways.

Mr. Bentley: That whole \$700,000-

Legislator Nazzaro: It is still \$700,000.

Mr. Bentley: It is still \$700,000, but in the context of if it would have just been set aside from the beginning-

Legislator Nazzaro: It still would have been \$700,000.

Ms. Crow: We would have been \$700,000 short last year.

(Cross-talk)

Legislator Nazzaro: I'm just making an observation and I'm sure Audit & Control will be making the observation- I understand the cost of the fuel-

(Cross-talk)

Legislator Scudder: But when we are sitting in budget hearings a week or two ago and we are hearing extra sales tax coming in, I get this warm fuzzy feeling of an extra \$700,000-

Ms. Crow: Well, there is-

Legislator Scudder: I'm just saying.

Ms. Crow: There are other deficits that it would go to one way or another.

Legislator Scudder: But we are seeing it here.

Legislator Nazzaro: I guess to-

Legislator Scudder: I'm not saying yes or no, it just strikes me like here it is and you are asking for it.

Ms. Crow: Well, he's not asking for it. Kathleen and I when they came and said this is what we are looking at in terms of what we need and we- we first said to scour your budget and find any little few dollars you can and we will see what we can come up with for the rest of it. Me knowing more of the County-wide surpluses, I could say we can use sales tax versus further using D and DM fund balance.

Legislator Nazzaro: I guess just-

Legislator Scudder: The next person to request it? We've already used it.

Legislator Nazzaro: I guess I just- it's up to Pierre and you- In my opinion, at the end of the day it is going to be all the same. I mean, we are going to have to- we will be doing budget adjustments into March- to your point, it's almost rather take it out of the- I'm starting to lose track or- I would rather say at the end that we had \$1.5 million surplus in sales tax- that is going to go into the fund balance, but for this because we are still not at the end of the year yet, say OK we have a shortfall. I don't like- I never like the way this has been done. It's like they are not related at all.

Ms. Crow: Well, it is a County-wide revenue that is used to offset all departments in the budget.

(Cross-talk)

Ms. Crow: Sales tax is in the budget under the miscellaneous department where we capture County-wide revenue that is not attributable to one department. It's helping offset all County Departments local share.

Legislator Scudder: When we do it this way you lose track of it.

Legislator Nazzaro: Because he is here first to the table.

Legislator Scudder: That's what I just said. So, the next guy-

Ms. Crow: Then change it to use D fund balance. It doesn't make a difference. That's fine.

(Cross-talk)

Ms. Crow: I was just telling you our rationale for proposing the resolution as we did-

Legislator Nazzaro: I would be interested to see- here is what I propose- again, we are all on the same page- I would be interested to see what the Audit & Control Committee says on this because that's really where the budget- maybe during Audit & Control- we can approve this

here. Legislator Chagnon is the Chair of that committee and he may have a different view on it. I would recommend in that committee, not here, that we use the D fund balance.

Ms. Crow: Well, you would want to do a combination of both. The D fund balance, after the use of what we are proposing in the 2019 budget and the end of the next year would then be \$850,000. The DM fund balance would be \$921,000, assuming we are still going to use as much D and DM fund balance as proposed currently in the tentative budget.

Legislator Nazzaro: Then you could replenish it by the excess in the sales tax.

Ms. Crow: It won't transfer to the D and DM fund unless you take action to do that. The surplus of the sales tax would normally go-

Legislator Scudder: Well, we can do that.

(Cross-talk)

Ms. Crow: Correct, but there will be other- for example, just the tribal compact- we are going to have that shortfall of revenue now- technically speaking, when we amend the budget at the end of the year, we don't have to amend it for short falls of revenue-

Legislator Scudder: I understand all that, it's just interesting to me that we are just putting out a fire with sales tax.

Ms. Crow: We have done this before. When we have a surplus-

Legislator Scudder: I'm not attacking, I'm just-

Ms. Crow: We have to put something on paper to prefile. It's your prerogative if you want to use another option.

Legislator Nazzaro: What I'm saying is I am willing to move on this resolution, but I would like to-I'm going to be prepared- could you prepare how this will affect the- how those numbers would change. It's not just my- I just think we have two and a half months to go, we are going to have a bunch of yearend adjustments, the budget- it just keeps it cleaner. It would be just easier to follow.

Ms. Crow: Generally we try to look for surpluses elsewhere in the budget before we draw from fund balance and that's what the intent here was. We knew we had a surplus-

Legislator Scudder: I don't think we are being critical of the intent-

Legislator Nazzaro: We aren't at all. It's just- it's transparent. This is not as transparent. We are using funds outside of the departmental budget and it's what we have been doing. It's not as transparent. It's not as clean.

Ms. Crow: We tell departments to come up with your amendments. If you can't balance them within your department, contact us because the finance department knows where else there might be other-

Legislator Nazzaro: I'm ready to move on this.

Mr. Bentley: The thing that I'm hearing is that it's not that you guys are questioning whether I need the- you're just saying which account it should come from.

Legislator Nazzaro: Correct.

Legislator Scudder: I'm willing to vote for it knowing it's going to Audit & Control.

Chairman Hemmer: We have to move on to the next meeting now. Are there any further questions? All those in favor? Opposed?

Unanimously Carried

MOVED by Legislator Gould, SECONDED by Legislator Nazzaro to adjourn

Unanimously Carried 5:33 p.m.

Respectfully submitted and transcribed,
Olivia L. Ames, Committee Secretary