

Minutes

Public Facilities Committee

November 13, 4:00 pm

Gerace Office Building, Mayville, N.Y.

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

Others: Tampio, Ames, Dennison, Bentley, Abdella, Walsh, Davis

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

Approval of Minutes (10/01/18 & 10/15/18)

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

Unanimously Carried

Privilege of the Floor

No one chose to speak at this time.

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

Chairman Hemmer: Any discussion? Questions? All in favor please say aye. Opposed?

Unanimously Carried

Proposed Resolution- Amend 2018 Budget–North Chautauqua Water District

Clerk Tampio: Mr. Chairman, I have a quick update on the North Chautauqua County Water District. The western portion of the project from the City of Dunkirk all the way to the Village of Brocton- Town of Portland has been substantially completed. They are still finishing their punch list. As of October first the District is receiving water from the City of Dunkirk directly. So, we'll be receiving a bill from the City of Dunkirk- a quarterly bill and then be billing the communities for their water usage. We'll have an expense from the City and then we'll have a revenue from the municipalities receiving the water. So, Kathleen and I met together and came up with numbers based upon October first through the end of December- usage of water that we think they'll be utilizing in that western portion and the cost of the water to the City.

Mrs. Dennison: There may be- we are still working out the accounting intricacies of the debt service for the water district. So, it is probable that there will be an expense for debt service in addition to a contractual cost for paying Dunkirk for the water. At this point, we don't know enough about how that arrangement is going to work so we are proposing just to do the amendment to the contractual cost so we have a vehicle by which the district can pay invoices to the City of Dunkirk and can receive revenue. We might have to, at year end, make an amendment to move some of the contractual budget into a debt service classification. At this point, I would say it is still too early to tell how that will be handled so we did not want to amend the budget for the debt service at this time.

Clerk Tampio: It's a work in progress.

Mrs. Dennison: We think that would be better done in February when we do the year end resolutions for all the classifications because as Kathy said, it's just a work in progress and we just don't have enough information to budget for that specific piece at this time.

Chairman Hemmer: Is there a board for the district? Who is the authority for the district?

Clerk Tampio: Yes, there is a board- administrative board. They're well aware of the cost of the water to the City because they all signed the water purchase supply agreement. However, with the time constraint we really haven't reviewed this budget and the 2019 budget with them. It's just been a work in progress. We will have to do that at their next meeting, which will probably be in December if not before.

Mrs. Dennison: There is an inter-municipal agreement in place that defines the cost and the revenues associated with this operation. This amount is based on what we budgeted for the 2019 full year operations, but also based on that inter-municipal agreement of the established income rates and expense rates for the water provided and purchased.

Chairman Hemmer: Any questions?

Legislator Scudder: On the supply side that the district bills these municipalities, are they making money on that water or is just to cover cost and supply?

Clerk Tampio: From the district cost to the municipalities? It shouldn't be making money, the cost to the City for purchasing their water is \$3.57 per thousand gallons and then we have to add- we've estimated a dollar- a dollar ten for the anticipated debt service and then ten cents for the O & M cost-

Legislator Scudder: So the goal is that it's going to be even?

Clerk Tampio: I mean, as part of the O & M cost there is going to be a small reserve. We're looking at \$25,000 a year for that.

Legislator Scudder: OK, thank you.

Chairman Hemmer: Any other questions? All those in favor of the resolution please say aye. Opposed?

Unanimously Carried

Proposed Resolution- Amend 2018 Budget Appropriations–South & Center Chautauqua Lake Sewer District (S&CCLSD)

Mr. Walsh: Good afternoon. I'm Tom Walsh, the director of the South & Center Sewer District and what we have here is the increased appropriations due to a new hire. This was a hire of a gentleman that had a job set of qualifications that we went above to hire. The reason being, he is a New York State DEC wastewater operator. What is difficult about finding him is there is actually a decrease in number in operators in New York State. In the last five years 1,200 operators' licenses have expired and only 800 new operators have been issued. This gentleman actually worked for us for a period of time, he left to work on the family farm, things did not work out, he contacted me because I asked him if there was ever a time that he left the farm I'd like to talk to him and he did. Speaking with George Borrello, Kathleen, our board of directors, they all approved and we went ahead and hired him. So now, we've had some appropriations-moving money from accounts to accounts.

Legislator Nazzaro: Looking at the numbers here, what catches my eye is the employee benefits are more than the salary. That seems odd. How can that be?

Mr. Walsh: Kathleen?

(Cross-laughter)

Mrs. Dennison: We base that on the year to date events. Now, to be honest, I did not look at all the individual benefits for the different personalities in this department. So, as Director Walsh explained we do have an unbudgeted new hire who has benefits, but it is also probable that there was a change in benefits for other employees compared to what we budgeted. When we prepare the budget we are- especially health insurance, we make assumptions about whether they are going to have single, family or two person health insurance. The expenses this year would be a combination of the new hire, but also, probably some changes in health insurance elections for other employees.

Legislator Scudder: This isn't just for the new hire?

Mrs. Dennison: That is my assumption.

Legislator Nazzaro: I think we need more information on this.

Mrs. Dennison: I can-

Legislator Nazzaro: Only because if it's- I understand the purpose and everything. We have a new hire and this is for- when did this individual come on?

Mr. Walsh: In January or February of 2018.

Legislator Nazzaro: Oh, so they have been here the whole year. Did I miss that?

Mr. Walsh: Yes, we hired this gentleman in-

Legislator Nazzaro: In January of 2018?

Mrs. Dennison: I think it was maybe March.

Mr. Walsh: By the time everything moved through it was probably March. By the time we moved the paperwork and I got approval-

Legislator Nazzaro: So, this is- based on that, maybe- at first it sounded like we just got this gentleman-

Mr. Walsh: No-

Chairman Hemmer: Yeah, that's what it sounded like-

(Cross-talk)

Legislator Nazzaro: See, I'm not the only one.

(Cross-talk)

Legislator Nazzaro: So, I'm thinking how can the benefits exceed- so, now you're saying this individual came on in March, but then you're adjusting other employees as well?

Chairman Hemmer: It's a budget adjustment that includes the new hire and others. That's not just his salary-

Mrs. Dennison: Correct. When we calculate the amount of the adjustment, we look at what's been expended so far and project what is needed to get to the end of the year. At the time, we have about eighteen payrolls booked, so then we're looking at recent payrolls and adding additional payrolls to get to the 26 that we're going to have this year. When I calculated the adjustment we're looking at the overall picture of the department not just that specific individual- but yes, he has been employed for several months. So, we're looking at adjusting for eight to nine months of his compensation, salary and benefits.

Legislator Wilfong: That wouldn't have been in the budget this fall?

Mrs. Dennison: His position is budgeted in 2019, but he was not part of the 2018 budget when the 2018 budget was adopted. So, when Director Walsh proposed to rehire this person, we went through quite an extensive with me, the County Executive because it was adding a position

that was not in the 2018 budget. We looked at the costs associated with it and understood that there would be additional costs, but felt that it was worthwhile because of the particular qualifications of this individual. In the 2019 budget- let me just double check my numbers- we have between the two main operating departments for the South and Center Sewer District- in 2018 we had 13 budgeted operator positions and in 2019 there are 14 positions because this persons budget is in there for next year but was not in 2018's budget.

Legislator Gould: How long are their operator licenses good for, what do they cost and does the sewer district pay any of them?

Mr. Walsh: It's \$160.00 every five years, but you have to get continued education to renew the license. So every five years you have to attend so many hours of continued education credits in that field. They always have to renew the license.

Legislator Gould: Does the sewer district pay-

Mr. Walsh: We do. We pay the \$160.00.

Chairman Hemmer: And the training and education?

Mr. Walsh: Yes. It's quite a job set because you're taking a blue collar field and you're asking them to go to college to learn chemistry, geometry, algebra and it's quite a skill set and then you have to understand the biology of it with the mechanics and physics of water moving. A lot of gentleman look at you- I'll fix it, but I'm not going to school- It's a tough field and it's really concerning that this population of waste water operators is declining. In Fredonia, for example, they're looking for an operator to fulfill the 4A position and they're having a difficult time finding it. In the future we'll probably see departments combine just for that reason.

(Cross-talk)

Chairman Hemmer: So, then you think you'd like an additional breakdown of-

Legislator Nazzaro: Not- I mean, you're going-

Mrs. Dennison: If you'd like I can- I've got my computer, I can look up the specific annual costs for this position.

Legislator Nazzaro: I mean we did include it in the 2019-

(Cross-talk)

Legislator Nazzaro: Just an FYI just to know. I think it wouldn't hurt. At least that explains what happened here.

Chairman Hemmer: Just how much of the 47 is due to this one employee-

Mrs. Dennison: I can double check that and have it ready for Audit and Control. Just for your information, this individual does have family three health insurance so we are looking at least \$20,000 for that item alone.

Legislator Nazzaro: I guess the question- now, we are still going to move this through- yeah, the breakout would be good. Why wouldn't this have come- adding a position- why didn't this come here earlier in the year if we actually added a position that was not budgeted? How did that get approved because it wasn't a budgeted item? So, wouldn't that have required legislative approval to put that in?

Mrs. Dennison: No, it does not because it's-

Chairman Hemmer: Because it's a sewer district?

Mrs. Dennison: No, the budget- the number of FTE's is not part of the budget adoption. So, the budget is adopted for each monetary classification. So, for example with the personal services there was a budget adopted for fund ESS.8130.1 and that's in the adopted budget in the document, but the number of FTE's for each department is not an adopted item. So, the departments get a certain amount of money personal services and legally speaking, they can spend that money however they choose. They don't- the department heads do not need legislative approval to add positions.

Legislator Nazzaro: That gives me an uneasiness as a member of the Audit & Control because I've been around a few years and I guess, I don't want to say it's the first time I've heard that, but at least in recent memory. Jay, you've been around longer than I have. Is that what- maybe this is a discussion for Audit & Control because are the sewer districts treated any- so, basically-

Mr. Abdella: They are treated no different. I mean, you're adopting a point one and a point eight budget and the executive has the freedom to staff within the budget. Now, some departments have hundreds of employees and at any given moment deciding well, we're going to have two account clerks versus three- It's never been played out in county government that the legislature is managing position filling one by one.

Legislator Nazzaro: But when we create a new position, a new title-

Mr. Abdella: You have to set the compensation for that position.

Mr. Walsh: This position was on the books.

Legislator Nazzaro: This is not a new- but, if we created an internal auditor or something like that?

Mr. Abdella: Any new position, any change in salary grades, salary ranges have to be approved by the legislature. All this being said you're right. A budget was set-

Legislator Nazzaro: It should have come here before this.

Mr. Abdella: It becomes a question at what point was there awareness that this would cause a need for change. This speaks to some of the yearend adjustments too. This is not new money or money beyond beget-

(Cross-talk)

Mr. Abdella: But again, there's the timing issue of the Legislature feeling like well, if you're going to change your budget pattern that's going to result in you needing to exceed your point ones, I think legitimately the Legislature's position would come to a sooner than later- we want to be part of that.

Legislator Nazzaro: So, I agree. We don't need to approve the FTE because it's in the same account classification. It's not creating a new paygrade or a new position, but probably this should have come before this committee prior to November.

Mr. Abdella: I think you all have been encouraging these things to come sooner rather than later while we are still in the fiscal year.

Mrs. Dennison: Well, just to give you a higher level of comfort, any position change, any new hire is reviewed by Human Resources, but it comes to me for review of the monetary implications and then goes to the County Executive. So, anytime a department wants to add a position they have to justify it financially and say that we are paying for this position by this means. With the case of this particular addition, the sewer district was proposing to pay for it first of all by user fees. In my opinion, there was financial justification for the hire. I would say that the reason that we didn't do an adjustment sooner is because it was relatively early in the year and there are a lot of things in the staffing that can change; if individuals were to leave unexpectedly that would cause a savings in salaries and so the time of the hire it wasn't necessarily known that there would be this magnitude of a change needed by the end of the year.

Legislator Nazzaro: OK. Thank you.

Chairman Hemmer: Any further questions? We are still intending to pass this on with the recommendation that we get further information for the Audit & Control Committee. So, all in favor of the resolution please say aye. Opposed?

Unanimously Carried

Mr. Abdella: Let me just mention that there really is no legal distinction between it being a district versus it saying being an executive budget. It is the case to the extent that the district- the administrative board can adopt its own budget, but can manage those financial affairs and it's tied to the user fees. There's probably less of a feeling of urgency rightly or wrongly to bring these things forward when it's funded by user fees. Everything said is dully noted.

Mrs. Dennison: Yes.

Legislator Scudder: We would just like that it's brought to our attention as soon as it needs to be- as soon as it comes to your attention, it needs to come to our attention. Not saying you didn't-

Mrs. Dennison: That's understandable. The user fees is part of the equation, but also the size of the department plays into it because as Steve mentioned, (*inaudible*) has three hundred people and we're getting position changes constantly. Some of the larger departments, if they propose to add a position it's going to not require a budget amendment.

Legislator Nazzaro: Again, we don't have to beat this to death, but something like this could backfire where let's say you didn't have other adjustments- it's actually protecting you because let's say at this point in time you didn't have enough adjustments to offset this-

Mrs. Dennison: We would have a problem.

Legislator Nazzaro: We would have to dip into fund balance to pay for it. That could add a different tone to our conversation. So, we had the ability to offset- in a regular account (*inaudible*) we were able to offset it, but for your protection if it comes too late we may not always be able to do that.

(*Cross-talk*)

Legislator Scudder: The only thing that hit was new hire. I think we are all going-

(*Cross-talk*)

Legislator Nazzaro: Did we vote?

Chairman Hemmer: We did vote.

Legislator Nazzaro: I don't know if we did.

Ms. Ames: Yes, you voted.

(*Cross-talk*)

Proposed Resolution- Amend 2018 Budget for Landfill Gas Well Maintenance

Mrs. Dennison: Director Panteli wisely chose not to be here tonight. This is- he's not here because it really is an accounting resolution and not really a landfill resolution. There is a very long and muddy history to the accounting for the gas well maintenance. I can give you as many details about that or as few as you would like. Let me start with the top line and then if you want to ask additional questions by all means, please do. Really this resolution reverses the resolution that was passed in April- 107-18. There was a capital project established for maintenance of the gas well facilities. That project was established in 1993. Last year and earlier this year when we started going through the process of trying to retire these old projects, we at that time came to the

conclusion that we could retire or close that project and that the maintenance on the gas well should not be treated as a capital expense, but as an operating expense. In resolution 107-18 we moved funds into the operating budget to perform gas well maintenance. There is also reserve for gas well maintenance that has been established throughout the years. So, when we did the resolution initially, our proposal was to fund the operating expense from that reserve. The reserve is set aside. It has been set aside over time and it's to be used for gas well maintenance. So, that was the history for resolution 107-18. Then, after further research Todd Button changed his opinion on the accounting for gas well maintenance and determined that it really should be a capital project, not an operating expense. So, we are going back to what we had before- taking the money out of the operating budget and increasing the budget in the capital project. We have a capital project, EL8160.025. It's for phase four construction on the landfill. It is a project with a substantial budget, but we're proposing is to increase that budget by the gas well maintenance component. The current estimates from the construction company- we've received an estimate for the phase four construction and the gas well maintenance is an addition- or, is proposed as an add on to those expenses. So, the idea is that the gas well maintenance really should be considered part of the phase four construction. Again, we're taking the appropriation budget out of the operating budget and returning the funds that were used to fund that to the gas well maintenance reserve account and then increasing the phase four construction budget and charging- future expenses will be charged to the capital project.

Legislator Gould: How much money is in the gas well fund account?

Mrs. Dennison: The gas well reserve?

Legislator Gould: And what other uses are it used for?

Mrs. Dennison: The gas well maintenance reserve is approximately \$900,000. I unfortunately am not particularly well qualified to speak to what we do to maintain the gas well. I have seen particular charges, so all I know is there is maintenance to that apparatus and that system rather than major capital improvements. So, there are minor maintenance expenses that could be charged to the reserve.

Legislator Gould: Could you ask Pantelis what they are for the Committee?

Mrs. Dennison: Sure.

Legislator Gould: Thank you.

Chairman Hemmer: How does this- you know, next year we're going to switch over to a contractor coming in and taking over the gas and part of the maintenance has got to be the piping- the collection system. Are we still maintaining that for them or are they going to take a part of this?

Mrs. Dennison: That is a good question that unfortunately I do not know the answer to.

Mr. Bentley: I don't know how much you want to get into it, but I think it's all being part of the negotiations.

Chairman Hemmer: Oh, OK. It's still in negotiations.

Mr. Bentley: At a high level, they have a lot of expertise in obtaining the gas and maximizing the gas. So, to the extent that they have suggestions about how to improve it- there could be things that they would want to invest on because they get a return on that investment versus what we might be willing to pay for it for a general maintenance perspective.

Mr. Abdella: Does the \$380,000 represent money projected to be spent in a particular period?

Mrs. Dennison: Yes.

Mr. Abdella: How far out?

Mrs. Dennison: By the end of 2019 because in the proposal from the firm that's doing the phase four construction this maintenance or improvement to the gas well system is an add on to the main construction costs for phase four. The expectation is that that phase would be completed by 2019.

Mr. Bentley: Which would be before the new gas-

Chairman Hemmer: New company takes over-

Mr. Bentley: So, we're still going to be running the (*inaudible*) next year until the other facility would be up and running.

Legislator Scudder: You haven't established yet who's going to pay for maintenance once they're up and running?

Mr. Bentley: I think that's still part of the final negotiations.

Mr. Abdella: It is, but the expectation is they will have a substantial roll in the maintenance-

Chairman Hemmer: Because it's so important.

Legislator Scudder: We all heard that million dollar- and you'd hate to have maintenance be \$780,000 or something like that. OK.

(*Cross-talk*)

Chairman Hemmer: So, this- the \$380,000 and you mentioned the \$900,000 in the gas well- is this in addition to that \$900,000, or does this go toward making up that \$900,000?

Mrs. Dennison: That would be in- right now, the balance in the reserve is \$975,000. When we make- since the landfill is its own fund, these reserves and fund balance adjustments are only made at the end of the year. So, this resolution was passed before- we didn't actually physically take the money out of the reserve. The effects of it would be captured in yearend adjustments. So, I would say- I'm sorry, when I spoke at the beginning it's not- it's part of that \$975,000 because we did not adjust the reserve down to take it out, so we're not going to immediately adjust the reserve up while putting it back.

Chairman Hemmer: OK.

Legislator Nazzaro: So, \$975,000 includes-

Mrs. Dennison: Because we never really took it out.

Legislator Nazzaro: Because you do it at yearend. So, now the maintenance is going to be treated as a capital expense.

Mrs. Dennison: Correct.

Chairman Hemmer: Any other questions?

Legislator Nazzaro: My only question is when we've done maintenance like this before, do we ever- didn't we always depreciate it too? There are different types of maintenance. I'm not a gas well expert. Obviously it's a repair versus extending the life. Basic accounting, you would set your dollar amount (*inaudible*) life over a year is not considered general repairs- if it extends the life, normally you capitalize it-

Mrs. Dennison: Yes.

Legislator Nazzaro: So, we had this-

Mr. Bentley: You could have some shifting, a pipe leaks, you have to go in there and-

Legislator Nazzaro: Well that's a general repair. If you're getting-

Chairman Hemmer: but since you're tying it in to the new construction phase it's going to be not just repairs, it's going to be part of a capital project. Right?

Legislator Nazzaro: Right, if it's part of a project normally you capitalize it because-

Mrs. Dennison: There have been, in the past, a few minor expenditures which appear based on their magnitude to be more of a repair issue and to be honest; it's a little bit of a mixed bag. There was a capital project before this that was specifically for gas well maintenance. So in general, most of the expenses associated with maintaining that structure have been capital

expenses. There were a few expenses that were deducted from the reserve, so non-capital expenses paid for out of the reserve. The majority of it has gone through as capital expenditures.

Legislator Nazzaro: OK, I'm good.

Mr. Bentley: We're just going back to the original accounting.

Mrs. Dennison: Yes.

(Cross-talk)

Chairman Hemmer: OK, all in favor of the proposed resolution please say aye. All those opposed?

Unanimously Carried

Proposed Resolution- Approving SEQRA Findings for the Dale Drive Shoulder Expansion Project

Mr. Bentley: So, we're looking for the approval to approve the environmental assessment that we got back. It basically states there was no environment impact to paving the shoulders for a mile. The project was approved last year. It's a \$735,000 of which, 20% is County share (*inaudible*) of \$147,000. Again, that was passed in 2017 and this is just a continuation of the project and we're looking for the approval of the environmental assessment.

Legislator Gould: Next summer?

Mr. Bentley: We should have it completed by the end of the construction season next year, yes. We are going to add bicycle lanes and pedestrian access around Cassadaga Lake. It should be a big help to those people.

Legislator Gould: There are a lot of walkers there.

Mr. Bentley: There are, actually, especially in the summer.

Chairman Hemmer: All in favor of approving the SEQR findings please say aye. Opposed?

Unanimously Carried

Discussion- Tabled Resolution 229-18 – Acceptance of Funds from NYSDOT for the Hangar J Door Replacement Design and Construction Project at the Chautauqua County/Jamestown Airport- Brad Bentley and County Attorney Abdella

MOVED by Legislator Gould, SECONDED by Legislator Wilfong to enter Executive Session to discuss the financial and employment history of a particular corporation.

3: No Votes (Scudder, Nazzaro, Hemmer)

2: Yes Votes (Gould, Wilfong)

Motion Defeated

Other-

Discussion- Distribution of Timber Sales Proceeds- Brad Bentley

MOVED by Legislator Nazzaro, SECONDED by Legislator Wilfong to adjourn

Unanimously Carried (5:07 p.m.)

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