

Minutes

Audit & Control Committee

June 17, 2021, 8:35 a.m., Virtual Meeting via Zoom

Gerace Office Building, Mayville, NY

Members Present: Nazzaro, Gould, Niebel

Member Absent: Harmon, Odell

Others: Tampio, Ames, Wendel, Dennison, Abdella, Bentley, Engstrom, Gregory, Kneer, McCoy, Briska, Contiguglia, Meleen, Almeter, Swan, Telford, Riley, Guttman, Carlson, Carrow, Crow

Chairman Nazzaro called the meeting to order at 8:42 a.m.

Approval of Minutes (5/20/21)

MOVED by Legislator Niebel, SECONDED by Legislator Gould.

Unanimously Carried

Privilege of the Floor

Ms. Karen Engstrom, Mayville. N.Y. I'm responding to the fact that we had a hearing in our town of Chautauqua on Monday where 80 Amish men, signed a petition in opposition to the first solar project in Chautauqua Township. Supervisor Emhardt has said there will be six of them and every town in this County does know there are many coming at us. It's part of the Governor's Accelerated 94c Energy Policy. The people in the room on Monday night, 30 strong were all opposed to the first project which would be on the Hartfield-Stockton Road and the Amish will lose their land there that they have been farming for years, decades, perhaps. The biggest concern is for Mayville and for many of us is that PFAS the chemistry that's called the forever chemicals is found in the water in Mayville. There are three contaminated wells now with PFAS and the city is paying a million dollars to rectify this to clean it up. The proposed solar project is in the watershed of Mayville's new production well. It's also in the watershed of Chautauqua Lake. We feel that it is very important to protect our water and we think that prevention rather than remediation is far more important. The problem right now is that we're seeing many, many of these coming at us and if the Legislature could give guidance to each of these little towns that are being picked off one by one, perhaps we could slow it down. That's all we're asking, is that it slows down. It's too far accelerated to be of any benefit. We know that solar in this sector at this latitude takes more energy to produce it, to mine, to manufacture, to

transport, and to install it than it ever returns in its lifetime. That's been proven in Europe, I'm quoting from the European Energy Commission and from the International Energy Agency. It's fine to have them below the 35th parallel but here it's simple what the CEO at the Ripley 4,000 acre project proposed stated to us publically. We do not get our money from the electricity solar, it's only profitable by the sale of green credits. The electricity sales are peanuts is what he said. Now the New York State Agricultural and Markets departments, consider solar projects a permanent conversion from agricultural to industrial land. Utilities Scale Solar(?) commits large areas of rural land to corporate control. In the towns need to be protected in some way. A no PILOT resolution as you did with wind, bleeding the way to 8 counties doing the same thing on wind would be helpful to slow it down, even a moratorium or call for or a public acknowledgement that it would be good to study these issues more would be very helpful. The subsidies right now come from the Federal to State government. They don't need to come from our little towns and County. The Wall Street Journal just reported and it was part of the International Energy Agency's report, 297 page report, that solar gets 252 times more subsidies than reliable energy does. Right now, it's just a gold rush for the investors. It's become a scam that doesn't help our communities and we're asking you to give them a little guidance. We know that the PFAS's are cancer causing, we know that we're going to lose our farmland and the Amish are especially vulnerable. Property values will not be maintained in the presences of these things. The destruction of the environment and the local economy is a very real thing. The (*inaudible*) is a very absolutely real thing that happens and of course we have seen Texas and California and it's the green black outs. The utility rates for taxes given the subsidies will skyrocket and loss of tourism and recreation are other concerns. So we hope that you will consider this very seriously, our little towns all need the help that you can give them. Thank you.

Chairman Nazzaro: Thank you for your comments. Much appreciated. Anyone else to speak at the Privilege of the Floor?

Legislator Niebel: Chuck this is just a technical question but the first privilege of the floor is always reserved for comments on the agenda. Could these comments be considered under the second privilege of the floor?

Deputy Clerk: That's in regards to the full Legislature meeting. So committee meetings they can speak about anything as long as it's permitted by the Chairman.

Mr. Abdella: That's because we only have one privilege of the floor at committees, we don't have one after.

Legislator Niebel: I don't have any concerns about the comments made, my question is, where really should have (*inaudible*)

Chairman Nazzaro: Do you have any other communications that need to be read or anything.

Deputy Clerk Ames: No, we have not received any other communications.

Chairman Nazzaro: O.k., seeing that there is no one else to speak, we'll move in to the resolutions.

Proposed Resolution – Increase Capital Account for the Rehabilitation of Taxiway B South (Construction) at the Chautauqua County Dunkirk Airport

Mr. Bentley: The first resolution here is for a project that is completed. The taxiway B south construction at the Dunkirk airport. There was an issue with the change order a couple of years ago. After discussions with the engineer, the contractor, legal, and the FAA, the resolution is to pay out the change order in the amounts on the resolution which is basically done at a 90% Federal level, 5% State and 5% local, meaning our share of the resolution is \$4,277. All the parties believe that this is a fair resolution to the issue that was had on this project. Its *(inaudible)* need to close out as the FAA is really looking for us to take care of this.

Chairman Nazzaro: Any questions or comments?

Unanimously Carried

Proposed Resolution - Increase Capital Account for the Rehabilitation of Hangar C at the Chautauqua County Jamestown Airport

Chairman Nazzaro: I will just note that this resolution was also presented at Public Facilities but it was moved to Audit & Control without any recommendation.

Mr. Bentley: So high level background of the project. This is a hangar that's in need of rehabilitation. A couple of years ago this project was approved for a little over a million dollars and it would be paid by 84% by New York State and the remaining 16% by local share. Chuck as you know, we had some agreements on how that was to be divided up and that was in the prior resolution. Since that time, obviously that was pre-COVID, and again, that was done without a benefit of an engineer's estimate. That was done with an internal estimate. We've since gotten the bids, so we did the design, issued the bids, we've gotten the bids back and the lowest bid was approximately \$120,000 higher than we had originally estimated and we contribute that to a couple of factors which is COVID construction costs as we're all aware of, with *(inaudible)* of the MWBE requirements that the FAA puts on it. So, the businesses case is still in play here as for the hangar. The hangar does have a use. I think from our discussion we have some additional information. The FBO is willing to take this hangar and give us a \$1,000 a month in rent. In addition, we get money from any transient plane that is stored there as well as any fuel sales that would be there. So there is a strong business case that this hangar is needed. The demand is there, we're not just building it and waiting for them to come. The demand is out there. We've already spent about \$100,000 or so on the design so that is money that we wouldn't get back if this project does not go forward. In addition, we've gotten a couple of building violation notices from the New York State Building Inspectors office telling us to fix things. That's probably generous. I believe that there is a lot of things that need to be addressed here if we don't go forward with this rehabilitation and those notices will get probably more numerous and may even lead to a requirement to demolition the hangar, in my opinion. Which, I think that would run in the order of \$100,000. So, at the last meeting in Public Facilities Chuck, you issued me another challenge and appreciate all those, was to find another way to pay for it other than fund balance

and I understand the concern that you have and I respect that. So, we went back and looked at it and give it another (*inaudible*), so I'm going to put a proposal out here for you. So, last month we brought forth the resolution that actually showed how the CARES Act funding is paying our 5% share for a number of projects that were done in 2020 and 2021. Those 5% share savings is probably over \$300,000. So that is money that is not going to be coming out of the capital reserve balance. I propose that reallocate \$120,000 of that \$300,000 savings to this project. It was saved by the airport, I believe that it should go back into the airport as something that would actually facilitate the business needs of the airport. That is the short version. I'm sure there are going to be some questions maybe and I'd be glad to help answer it. Ron Almeter is here also.

Chairman Nazzaro: Thank you Brad and I'm going to open it up to the two committee members that are here first.

Legislator Gould: I feel as our Chairman of the Audit & Control, Mr. Nazzaro does about spending fund balance. I don't think that is a good idea at all. We have a fund balance for a reason, this is a reserve fund balance for capital we're talking about spending. But we also have a building that we own, that the County owns and I feel it's very important to keep up these buildings. I don't feel it's a good idea to tear it down for the \$100,000, we're saving out of fund balance. I would hope we could find another way other than fund balance to fund this \$120,000 but I'm going to vote in favor of this because we need to get this done or the building will eventually have to be destroyed. Thank you Mr. Chairman.

Chairman Nazzaro: Thank you Legislator Gould, appreciate your comments. Legislator Niebel?

Legislator Niebel: Brad, just a quick question. We have a fixed base operator, currently, we had one previously. Did the previously fixed base operator have any responsibility for the maintenance of hangar C? I'm just wondering.

Mr. Bentley: That's goes back to history. I'd have to look to Ron but I believe when the County took it over, I don't know that it was part of the prior FBO's responsibility.

Mr. Almeter: No, it was not. The hangar C was not under the previous FBO lease operator's responsibility.

Legislator Niebel: That was just my question because I was thinking if it was, I believe that we have some litigation against the previous FBO so if he had any responsibility, possibly our litigation against him could include the maintenance for this hangar C, but I guess that's not the case.

Mr. Bentley: It really was never a useable hangar. We used it for storage for various County activities so I believe most of the prior use was actually for common use.

Legislator Niebel: My last question, you do have a sizable budget and you've looked at everything in your budget to see if there is any way to pay for this rather than go to the fund balance?

Mr. Bentley: For the airport, the budgets are kind of separated. We do congeal them all at the end of the year.

Legislator Niebel: I understand.

Mr. Bentley: But for purposes as of right now, I don't have an extra \$120,000.

Legislator Niebel: You don't have a surplus in any account, maybe not a \$120,000 but any surpluses in any accounts that you can foresee that could be used towards this?

Mr. Bentley: It's June, it's a little too early to forecast that. I'd be hesitant to take that out of something out of roads and bridges, out of CARTS, and the landfill is an enterprise fund so that's done on a separate basis. At this time, I think this is the right place to bring it from. As always, I'm always looking to save dollars where I can and return them as I do each year. I think I've had a history of returning money and being good on my budgets each and every year.

Legislator Niebel: You have.

Mr. Bentley: So I think I have a track record of doing what I say I'm doing.

Mrs. Dennison: If I could just add a comment that and Brad correct me if I'm wrong but, his department is already planning to self-perform as much work as possible on this project so when we know how much that work is worth then we'll make appropriate budget adjustments – it would be a contribution from his operating budget to his capital budget, so that is a way, in a way that he can reduce the cost of this project.

Mr. Bentley: And this is a comment unrelated to his hangar but just to give you an example of how I try and optimize our County resources as a whole. In front of hangar L, the County is actually repaving the apron out in front of it and that goes unsaid because that would have to be, that was done by contractor, it would be probably a greater cost to the County and greater cost to the airport, so we are actually using in-house facility and equipment to preform work that might otherwise be contracted out. So I really do take the opportunities to wherever we can, to minimize the cost to the taxpayers for the operations of the airport has as well as other operations.

Legislator Niebel: Just to go over, so your latest suggestion is to take part of the savings, the 5% savings of \$300,000 to use for this now?

Mr. Bentley: So the logistics and Kathleen and I have talked a little bit about this. The way the airport grants work, until the grants are approved, if you will, by the FAA, we don't actually take them out of the capital but knowing what the estimated costs are, those would be costs that would come out. It's not and if, it's just a when and so those costs would be \$300,000 that would be taken out of the \$1.6 or \$1.7 number that Kathleen gave at Public Facilities. Those (*cross talk*) taken out but they would be so what I am proposing is, since the airport is saving that money, a good use of that money that would not be taken out would be towards this project.

Legislator Niebel: Chuck, what are your thoughts on that?

Chairman Nazzaro: Brad and I, we've had a lot of discussions on this and I won't go over all the history other than back 2 years ago, I did support the renovation of hangar C reluctantly. I actually went up and toured it. I did challenge Brad and Ron to put together a proposal and they did give a couple scenarios. I too, like my colleagues here, I'm not against the airports, I'm supportive of the airports, I understand the need for the hangar space, it's 10,000 square feet I believe. I do want to note that Legislator Odell sent a very lengthy email yesterday, I did read the entire thing. He's Chair of the Airport Commission, is that correct?

Mr. Bentley: Yes he is.

Chairman Nazzaro: And he's very supportive of it and he made a lot of good points in his email. I don't know how many of you read it but it he had a lot of good points. Again, my reluctance is taking out of fund balance because now the project cost instead of being 16% is 24 ½%. I do understand that you have projects that you are referring to, the 5% would come out of the capital now it doesn't have to but here is one question I do have. Instead of taking it out of fund balance, we have another resolution coming up here shortly where we are getting over \$3 million dollars in additional funding from CHIPS, Pave NY, the Extreme Weather, can any of that money, we're increasing revenue accounts by over \$3 million, is it allowed to use some of that revenue to pay for this?

Mr. Bentley: No, unfortunately that's for roads and bridges and it has to be related to the roads and bridges. CHIPS as a greater scope, it can be used for equipment but it has to be to the benefit of the roads and bridges. So an airport hangar would not qualify under those circumstances unfortunately.

Legislator Niebel: But if we're getting this extra \$3 million dollars –

Mr. Bentley: But it's not something that would come out of fund balance. Its money that

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Legislator Niebel: Understood Brad but if we're getting this extra money, is it possible that you could reduce another account someplace or no?

Mr. Bentley: Just to, we're jumping ahead to the next resolution but part of that money was actually the 20% reduction that was supposed to be given to me last year and as you guys know, our roads and bridges are our most important things to the County as far as I'm concerned. I don't have enough money to fix all of our roads and bridges and the demands that we have today. So that money is vital to doing that so I spend every dollar that I get off of that. Any dollar that is taken away, takes away from the safety of our roads and bridges.

Legislator Niebel: Just in general, I'm opposed to taking money out of the fund balance and if we start doing this for you now, the first half of this year, I'm sure there are other departments that are going to look and think about doing the same thing. But, I do understand

that there is revenue that could be lost and demolition costs and everything else. So, I'm leaning towards reluctantly supporting this resolution but boy, if there is any chance at all of finding money where we don't have to take it out of the fund balance, I would be delighted to see that. But, it doesn't look like that is the case.

Mr. Bentley: I absolutely understand money is very important and very tight these days and as always, I operate our department very lean. I do a lot with what I got, I take advantage of operational efficiencies wherever I can and like I said, I think my track record speaks for itself since I've been here. I've done a very good job at keeping our budgets in line.

Legislator Niebel: You do, there is no question.

Mr. Bentley: So, when I bring a project like this to you and circumstances I'm bringing it to you, not because I'm trying to find all the money I can and spend whatever I can, I look at the needs and what the outcomes are and what's the best use of our limited resources and I feel this is absolutely one of best uses of reserved money.

Legislator Niebel: In your opinion, this is essential.

Mr. Bentley: Yeah, and not everything I do creates revenue and again, we brought in a new fixed base operator, I would say they are hitting homeruns compared to the previous fixed base operator. One of our commitments of bringing them here was additional hangar space that they could use to increase their business profile. So I believe we, as a County, need to fulfill that obligation. I understand it's coming at a little bit extra cost but we do get a return on this. There is a return on investment here and I would also say, when we invest in our roads and bridges that helps businesses, that helps tourism, and that helps the quality of our roads and safety. So there is a return on investment there. But the monetary, I'll get monetary into my department, this would be something that would be monetary to the airport.

County Executive Wendel: I'm very much in support of this and Ron could maybe help us and attest, had this hangar been refurbished already? We had a possible customer that was looking for hangar space for a larger aircraft and we could have had that space already occupied and rented. So, as we're trying, it was a County resident who wanted to base his plane here, unfortunately he had to go to Buffalo because we didn't have hangar space. So in this event, had that been refurbished, we know we have at least one person right now if we reached out that possibly could come back but that's only one. Because the traffic is increasing in the airport, especially now with the likelihood of a full assembly at the Chautauqua Institution, plus other economic increases throughout the County, I feel this hangar is more essential to our business plan as we move forward for the airport. Getting that hangar space, getting larger aircraft to be hangered over night or long term. The talks that everybody had, we understand funding is critical in this but the investment is more for the long term than it is. Again, if we need to demolish this hangar that's out of pocket which is no return. So again, I feel it's a wise investment in something essential as we move forward with our airports especially.

Chairman Nazzaro: Thank you Mr. Executive. I feel this is like America's Got Talent and we're going to see if we can move this to the live show next Wednesday night. I'm going to

make a brief comment in that I will reluctantly support it and the reason I'm reluctantly supporting it is not because of the project itself. I think that you've all made it clear, the three of us on the panel today that we prefer not to use the capital fund balance but I think we've discussed this at length so I'm ready to call the question. All in favor?

Unanimously Carried

Proposed Resolution – Reallocating Salary Grade for Bus Driver II

Mr. Bentley: This was discussed at Public Facilities as well as Administrative Services. CARTS is having a difficult time attracting new bus drivers. I think one of the primary drivers on this is our starting wage, at \$14.44 an hour. That is below, I think I've been quoted now, below the \$15 at Tim Horton's and we require a CDL with a passenger endorsement to be a bus driver. So we have some pretty large requirements and we're only paying that. So, our proposal is to start the bus drivers at a Grade 4, Step 3 which is \$16.66 an hour. That would be for all bus drivers whether they are substitute or partial full time drivers. The substitute would remain at \$16.66 throughout their employment. The ones that are partial full time have the ability to progress up to Step 9 of Grade 4 which would be up to \$19.65 and that would be to make sure we retain the ones that drive the majority for us. The financial impact to this, we estimate to be around \$100,000 in our operating budget for CARTS. I challenged Michelle to keep that within our existing budgets. For the first year, we have CARES Act funding so we'll easily be able to do that and going forward, we also get other reimbursements from the State towards that. So, Michelle's history has been \$2 to \$300,000 under budget in her operating budget the last couple of years. I think she does a tremendous job watching her costs in doing this so we feel that we can absorb this cost. The alternative is to cut our services and CARTS is not something that I would recommend cutting services on. We take people to their doctor appointments, dialysis appointments, we get them to work, it's the only public transportation system out there. We do it at a very low cost. To try and take an Uber from Jamestown to Wegman's, it's like \$10.00 each way, our cost is way below that. This I feel is the right thing to do. We need to attract and get additional drivers. COVID took us out for a little bit and took away our Saturday service and we're looking at trying to reinvigorate that and put that back on but I do need drivers to get that done. The proposal here is to again, increase that to \$16.66. I think that will help attract the drivers. The other notion is that we do have evidence when we do get applicants and they turn us down, they are going to other bus garages, other schools, because they pay way more than that. So even the ones that we do get, they go well, I have an offer over here, so they may stick around – we train them, get their CDL and then they move on and say thank you. So, we need to get some of these people to stick around a little bit longer.

Legislator Niebel: Just a comment. Brad, I will support this resolution but, as far as the salary grade increases, I would rather see these come during the budget process in the Fall than say the second quarter of the year, but look, it's not just you, other departments do the same thing but to the extent that you can, I would like to see these things as part of the budget process rather than come up during the course of the next fiscal year.

Mr. Bentley: Why did I do this now, you make a great point. I normally like to do that through the budget process but probably within the last two months, we've had to reduce our

services in the Dunkirk area due to the lack of drivers and so I'm seeing a direct impact today on our service levels. I don't feel that it's prudent to wait until next year to address those issues.

Legislator Niebel: So there is an urgency for this?

Mr. Bentley: Absolutely.

Chairman Nazzaro: Good point Terry. Jay, any comments?

Legislator Gould: I'm fine.

Chairman Nazzaro: The only question I have, when will this take affect?

Mr. Bentley: Is Jean still on here?

Chairman Nazzaro: The question was the effective date and the other question I just had, just for clarification, does the \$100,000 include the increase benefit costs if there are some? Because I'm anticipating that you are probably going to have more partial full time drivers too. Is there going to be additional benefit costs and the effective date?

Mr. Bentley: I'll let Jean, do you know the effective date? The earliest this would be able to take effect?

Mrs. Riley: Well, if it makes it through the Legislature then we can set what the date is through the RPC process because we'll be shifting people into the right Grade. There will be an administrative task that is nominal. We can make the date whenever we would like it to be if it's approved by the Legislature.

Legislator Niebel: Like the first day of the third quarter?

Mr. Bentley: We'd like to make it effective as soon as possible so it's just a matter of the paperwork.

Mrs. Riley: To Chuck's point as far as benefits, it will depend on if he's filling full time or part time or special. We have this special group that doesn't work full time that still gets benefits. We added that last year to try to encourage and retain some of the people that we had. So it's really going to depend on if he hires them as full time or part time and I don't know what those numbers would be Brad, do you have an idea?

Mr. Bentley: Yes. So Michelle took a look at our current workforce and that's how we derived the \$100,000 was based on our current workforce and the projections of who would be moving where. But as Jean stated, the substitute drivers do not have benefits so it's just a straight salary increase. Most of our partial full time drivers have been with us for a while so they are generally at that level so really there is no financial impact on that. This was meant to attract new drivers really. Our existing driver's workforce has been with us for a while.

Chairman Nazzaro: Thank you Jean and Brad. Any other questions or comments? Again, I think this is the right thing to do under the current circumstances. All those in favor?

Unanimously Carried

Proposed Resolution – Adjust D.5112-Capital Improvement Accounts

Mr. Bentley: Just to prove that I just don't come here asking for money constantly, this is good news from the State. They gave us additional funding in our CHIPS, Pave NY which was budgeted and they also provided funding for the EWR program, the Extreme Weather program that was not budgeted. In addition, they returned back to us the 20% hold back that they gave us last year so in total, our capital will increase by \$3.724 million dollars and this will directly go to our roads and bridges and the maintenance of those bridges and roads. This is all good news. We're very appreciative of the State's acknowledgement that our local roads and bridges are in need of repair. This is well needed and well deserved and we're putting this money to work this year.

Chairman Nazzaro: I probably should have asked this question in Public Facilities since I'm on both committees but a brief answer on what does this mean as far as what we can do now? Because this is a significant increase in revenue, a positive one, so did we plan on getting this money or now that we know we're getting it, what does it mean in terms of the additional work that you can do? What will the public see as far as additional work that this money can go into?

Mr. Bentley: I think I've mentioned it at one of the prior Public Facilities so I can kind of jump into that. So, I believe we're paving now – so between our contracted and in-house roads that we're going to be paving this year, we're going to be around 31 miles. I think in a normal year we're going to be probably around 5 or 10. We have 550 miles of roads so again, we'll go back to prior question, and it covers some but doesn't cover all. In addition, we generally chip seal between 60 to 80 miles of roads, that's where we put oil and stone down, I think we're like at 98 miles this year. We're going to be able to do a lot more side maintenance on the edges where they come apart. They call it hogapiller(?), it's a hogapiller machine (*inaudible*) the black stripes. So we're putting that money to use right away and we have that planned for this year. So, it's going to make a demonstrable impact in addition to repairing, I believe that we have 16 bridges we're going to repair out of our 308. Some are full replacements, some are maintenance of railings, decks, joints, so, this allows us to get more work done. I still am constrained by workforce at this point. I do have a limited number of crews and we do shared services with the towns. The towns have additional money so they have asked for additional help. So we are out there. It's a very busy construction year as people see all the detours. They are probably already seeing the impacts of the work that we're doing and will continue to see that. Very demonstrable impact.

Chairman Nazzaro: Thank you, again this is great news. Any other questions or comments?

Legislator Gould: Do you have any route numbers or road numbers of these 31 miles on the paper you are looking at there?

Mr. Bentley: County roads 65, 70, 74, 136, 138, 146, 86, 314, 341, 610, 88, and County road 91. We did issue a press release with this information back in I want to say at the end of May.

Legislator Gould: Can we do it again?

Mr. Bentley: Issue the press release?

Legislator Gould: Yes.

Legislator Gould: Yes. I think the public would like to know what roads might get paved this year.

Mr. Bentley: Yes. I can work with the County Executive's office to reissue that.

Legislator Gould: Thank you. Anything else? All in favor?

Unanimously Carried

Proposed Resolution - Adjust D.5112 Capital Improvement Account-Funded Roads

Mr. Bentley: This is to acknowledge the road use permit that the Department of Public Facilities issue to the Ball Hill Wind farm. Again, this permit is only for the use of our County roads during the construction. What this is for is, the hauling and the equipment that gets put on our roads, is expected to damage our roads beyond what we call normal repairs or normal use. So that we're going to go in and fix the road after the construction is completed. This is the third windfarm that we have done this type of agreement with. The first one, the fee worked out just about close to what we had in repairs so we feel our methodology and our engineering behind our estimates are good and taken into account what the damage is. The wind farms had appreciated the ability to have some knowledge of what their costs are upfront and we get to fix the roads afterwards. They are going to pay us \$722,100 for this permit and the permit is good for 2 years so we expect to either the end of late 2022 or potentially 2023, that we'd be looking at doing the repairs to the roads that they are using. I did get a question from the press asking about the permit and (*inaudible*) and I want to make it clear that this is just for them to allow to use County roads. We don't issue the permits for the wind farm itself to be constructed. That's State and towns, so this is just for the road use.

Chairman Nazzaro: Do you factor in here an inflation factor for materials because you're talking a ways out, two years out so, costs are going up so do you factor that in here?

Mr. Bentley: We try to use our best guess of where the escalations is going to be. As you know, oil prices are the key driver in asphalts so it's predicting oil prices. To a large extent we

feel that we have a good – we don't put it at the low end, it's probably towards the middle to the high in the escalation factor. Again, there is a little bit of an estimate about how much damage is damaged. Usually when you get the hauling trucks, the real damage because they rut the road like this, where the wheel tracks are going and that's not something that you just pave. You basically have to do a (*inaudible*) replace recycle so we do probably a worst case scenario on what the repairs are going to be as well. So if it comes in a little bit lighter, I think we're covered. I think there's multiple conservative things in here that work to the County's benefit for taking on the risk you mentioned.

Chairman Nazzaro: Thank you, any questions or comments?

Unanimously Carried

Proposed Resolution – Request Funding for Repairs to Heating and Cooling Systems at MMB and GOB

Mr. Bentley: In the vein of maintaining what we have, these are two projects that just came out. The unit controller on top of Mayville municipal building has failed and we need to get that replaced. We have an estimated cost of \$25,000 on that. There's like a repair of two heat pumps systems and several valves and defective piping that need to be replaced in the Gerace Office Building. When it gets cold in the winter where the security guards are at, we could not maintain temperature out in those rooms and I think we froze some of the Sheriff's during the winter which is not a good thing. So, we need to get that fixed and replaced. That was an estimate of \$20,140 to complete that work. These two projects were taken to the Planning Board back on May 4th where they made a resolution to approve that for 2021 funding.

Chairman Nazzaro: It's pretty clear, any questions or comments?

Unanimously Carried

Proposed Resolution – Quit Claim Deeds

Ms. Meleen: These three are side lots that the Land Bank has that they are now looking to sell. The three perspective buyers have been maintaining those lots and keeping them mowed and shoveling the sidewalks etc.. So we look forward to getting those lots back on the tax rolls and on our books.

Chairman Nazzaro: I have a question but maybe Mr. Niebel is going to, because you are always on top of these, but, first I'll ask the committee, any questions or comments? Kim, just for me because these amounts always blow my mind. I see that one in the City of Jamestown there, the offer amount is a \$1.00 and the taxes owing are \$27,000. Where is that and -

Legislator Niebel: Buffalo Street.

Chairman Nazzaro: I knew you would know that so does that include demolition – why is the amount owing so much?

Ms. Meleen: There was probably a house on it and then the Land Bank demoed it and now is selling it as a vacant lot.

Legislator Niebel: On that one, the back taxes have not been paid since 2014.

Chairman Nazzaro: It always raises questions for me and I understand we want them back on the tax rolls and everything. When I see a \$1.00 offer amount, (*cross talk*)....

Legislator Niebel: Right now it is vacant land but I believe she's correct, I think there was a structure there at one time.

Chairman Nazzaro: You say the adjacent property owner is currently maintaining these lots?

Ms. Meleen: Correct.

Chairman Nazzaro: Alright, that's all I have. I just wanted a clarification. Any questions or comments?

Unanimously Carried

Proposed Resolution – Authorize Acceptance of Aid to Defense Grant 2021-2022

Mr. Gregory: This resolution is to request approval to the Aid to Defense grant of \$13,238. (*Inaudible*) the State was going to fund this for another year. This money is used to pay a partial salary of one Assistant Public Defender. There is no matching funds involved and I believe the Public Defender's office has received this grant for a number of years.

Chairman Nazzaro: Thank you, you said all the right things. No local match and so forth. Any questions or comments? All in favor?

Unanimously Carried

Proposed Resolution – Authorize MOU with Homeland Security Investigations for Joint Operation Participation

Mr. Telford: This is an agreement with Homeland Security. We've had an investigator working with them on human trafficking cases. The bottom line is that with this agreement, any overtime that is incurred with a human trafficking case, Homeland Security will reimburse us for that overtime.

Chairman Nazzaro: That's great and I see we're actually decreasing the use of fund balance because we did not include the revenue in the 2021 budget. Thank you. Any questions or comments?

Unanimously Carried

Chairman Nazzaro: I have to jump back because I skipped one by mistake.

Proposed Resolution – Authorize Acceptance of 2021-2022 Aid to Prosecution Funds

Ms. Contiguglia: I'm Jason Schmidt Executive Assistant. Jason had a prelim I believe this morning so he could not be here. So I'm here to speak about the Aid to Prosecution grant. It's funded through New York State Division of Criminal Justice Services. The program is for \$54,460. It's a grant that funds approximately 50% of a felony level attorney. It aids in the prosecution of violent felonies within the County. We've had this program since 2016. It's just a simple continuation of the program through 2021. It started April 1st and it goes through March 31, 2022. It was included in the adopted budget for 2021. Half of it will be in this year's budget and the other half will be in next year's budget, in 2022.

Chairman Nazzaro: Very well done. You've covered all the points and any questions I would have had. Any questions or comments?

Unanimously Carried

Proposed Resolution – Authorize Agreement with Chautauqua-Cattaraugus-Erie II BOCES
For Two (2) School Resource Officers

Mr. Telford: This is a continuation of the SRO program that we've had with BOCES the last couple of years. One deputy is assigned to the Maple Avenue School in Cassadaga. The second officer shares his time between the actual BOCES in the Fredonia BOCES campus. So we've had this probably the past three or four years, we had both of these and it will just be a continuation into the next school year.

Chairman Nazzaro: Thank you and I see this was already included in the 2021 budget so there is no accounting there. Any questions or comments?

Legislator Niebel: This is the same amount this year as last year.

Chairman Nazzaro: All in favor?

Unanimously Carried

Proposed Resolution - Authorize Agreement with Brocton Central School for School
Resource Officer

Mr. Telford: This is a renewed or we did have an SRO in Brocton, not this current school year but I believe the two previous years. Because of funding and most likely COVID, the school cut it out of this current school year but they would like to bring this back for next year. So it's a reimbursement cost for the deputy that is assigned to Brocton Central School for the upcoming school year.

Chairman Nazzaro: Thank you.

Deputy Clerk Ames: This was amended in Public Safety and I didn't email out the amended one. Would you like me to share my screen and show you the amended?

Chairman Nazzaro: Yes please, thank you.

Mr. Telford: I apologize, the original amount that was in the resolution was \$112,000 and that has been amended to just under \$98,000 as reflected on the screen.

Chairman Nazzaro: O.k., so this was amended in Public Safety and passed.

Deputy Clerk Ames: Yes.

Chairman Nazzaro: So we don't have to amend it here. So the amounts were lowered to the \$48,000 which is half of the \$97,000 basically.

Mr. Telford: Right, half for the remainder of 2021 and half for the first half of 2022.

Chairman Nazzaro: Thank you. Any questions or comments on the amended resolution that was approved in Public Safety? All in favor?

Unanimously Carried

Proposed Resolution – Authorize Lease Agreement with Warwick Plaza, LLC for Office Space for the Chautauqua County Veterans Service Agency

Mr. Carlson: Right now we are at 610 West 3rd Street in Jamestown, across the street from where Farm Fresh is, kind of kitty corner from Lind's Funeral Home for those who might not be familiar with it and we're sharing office space with Office for the Aging. Probably two years ago we had kind of outgrown collectively, both agencies had outgrown this space and it was becoming – we needed a different location and this was pre-COVID. We started looking around and we actually (*inaudible*) to increase our budget to \$1,050 a month from what we were paying now, we're paying \$700 a month now. Once COVID hit, everything was kind of delays and then ultimately we stayed here. In the interim, Office for the Aging is moving to the Chautauqua Center and we were looking for a new location. We found the Warwick Plaza. A lease that was \$1,200 but because we are a Veterans Service Agency and they wanted to do business with us they offered us a \$1,050 which was exactly what we had asked for originally a couple of years ago pre COVID. If we would have stayed here without Office for the Aging it's \$1,800 a month which is not doable. So what we're asking for the original \$1,050 per month

that we had planned a couple of years ago that was approved in the budget when we were looking to move the first time. I'll take any questions that anyone might have.

Chairman Nazzaro: Thank you. Any questions or comments from the committee? What is your current square footage that you current have?

Mr. Carlson: Right now we're sharing office with Office for the Aging so we have about 1,800 square feet in our current location, but the location we're moving to is only 3 of us so we have 900 square feet at the new location.

Chairman Nazzaro: That's on Fairmont Avenue, correct?

Mr. Carlson: The Warwick Plaza is on Fairmont Avenue but we're actually going to be on the second level where the entry is from the rear so everything is completely accessible.

Chairman Nazzaro: So you are in the back, you go up the side street and go in the back?

Mr. Carlson: Yes.

Chairman Nazzaro: Obviously, that is all handicapped accessible and everything?

Mr. Carlson: Yes, there is actually two ways that you can come around. One way there is a ramp that leads up to where the office space is and then if you go in the other way, there is like three or four stairs.

Chairman Nazzaro: Thank you.

Legislator Gould: That was my question Chuck. I wondered if being on the second floor if it would be alright for some of these Veterans to be climbing the ramps or stairs rather than an elevator.

Mr. Carlson: The nice thing is, the parking, if you have ever been on the street, the parking is up hill so even though it's the second floor and it's behind, it's like entering from the ground level.

Legislator Gould: I understand that but I'm not familiar with it.

Chairman Nazzaro: I am familiar with that building and I had the same concern. Obviously the Audit and Control is approving the lease because I am familiar with that building, I just wanted to make sure it met all ADA requirements that you need to do. I'm assuming that was all looked at, is that correct?

Mr. Carlson: Right, yes so now, do I have anything formally that says that it meet that, no, but there is like when we were there and looked at it, that is one of the things that we looked as if we had somebody in a wheelchair that needed to get in, would they have any trouble. It's not like a deep sloped ramp or anything like. They might need assistance being pushed up the

ramp but it's not like a steep sloping ramp or anything like that. We can look at it more closely and (*inaudible*) if that's needed.

Chairman Nazzaro: Thank you. All in favor?

Unanimously Carried

Proposed Resolution – Authorize Use of Lake Erie Management Commission Capital Project H.8020.37011 Funds to Co-Fund Dunkirk Lighthouse and Veterans Park Museum Perimeter Fence

Mr. McCoy: I would like to introduce to everyone, David Briska. Mr. Briska is the treasurer of the Dunkirk Lighthouse and Veterans Museum. Earlier this year Mr. Briska approached the Lake Erie Management Commission for funding assistance for their parameter and safety fence. As many of you know, the Dunkirk Lighthouse is a substantial tourist attraction. It draws a lot of people to our area. It's perched above the cliffs on the Lake Erie and the historic high water levels and extreme weather events that we've had over the last 2 years have caused some erosion on those cliffs and as a result, some of that fence is now unsafe and needs to be replaced. So we are hoping to be able to use \$10,000 from our account to help in this effort.

Mr. Briska: Over the last several years the erosion is getting closer and closer to the fence and this last November during the storms, there are about three spots now where there is no dirt under the fence so if people walk too close to the fence, they can pretty much slide down the cliff into the water. So we need to replace that fencing. I got a quote for the fencing back in November after the November storm that we had and the quote at that point and time was about \$55,000 to replace the fence and have it installed. So, in March I contacted the fencing company and the price had already gone up about \$5,000, just for the materials alone, not for the installation so I ordered the fence and it's supposed to be actually – part of it is in the fence company now and they are waiting for the last part to get here so that they can start working on the fence. The Community Foundation gave us a grant of \$10,000 to help cover the cost of the fencing itself and of course we need a little bit more money to finish replacing it, mostly for the cost of installation. But, I've been over the last several years putting money away to try and replace that fence and I've gotten a portion of it, I just didn't have the whole amount I need. The fence itself, its lots of different styles. We have chain link fence, we have chicken wire, we have metal fencing, we have 8 foot tall fencing, we have 4 foot tall fencing so not only was it a safety concern but it will help make it look all more uniform so that when we do have events and people are trying to take pictures near the water, everything will look about the same. So we're trying to improve the amount of how the property looks so that when we have events people are more apt to come to the Lighthouse and do that.

Chairman Nazzaro: It's a beautiful sight out there, it really is. Any questions or comments from the committee?

Legislator Niebel: Dave, the erosion is going to be a continual problem, have you guys thought about a break wall or that just prohibitive as far as the expense.

Mr. Briska: Expense, yes, it's prohibitive. I have talked to the City of Dunkirk because they own, of course, the property on both sides of the Lighthouse. Point Gratiot Park and Cedar Beech and they are having the same problem we're having right at the moment. So I have talked to them about if they are going to look into improvements to the shoreline or protection of some sort, to include the Lighthouse in that. But for now, all we can do is, we're going to move the fence back about 10 feet from the cliff so that we don't have to have that same problem of replacing the fence, over and over again, at least for a while.

Legislator Niebel: You lost about 2 feet this past year?

Mr. Briska: In some spots. In fact, about 8 years ago they got a grant for putting in a wall on the one corner of the property and they brought it in a ways, they put in a couple of wing walls on to protect the property that was near it and in the November storm, the one wing wall fell over the whole corner of the property went into the water. So, that is going to happen every time we have a storm so we are trying to figure out a way of protecting the property if we can.

Legislator Gould: Is 10 feet enough? Do you have room to move it again in five years when this happens again?

Mr. Briska: It is a never ending problem but like I said, I am trying to find people could possibly help us fund a wall of some sort to go around the property and protect the whole thing. But, 10 feet will give us plenty of room for a time to come. You don't lose 2 feet every year. You lose a little bit, inches every year.

Legislator Niebel: Last year was a bad year.

Mr. Briska: It was, that storm in November was just horrendous and of course the City of Dunkirk lost that whole wall on the other side of the City that they are trying to finish fixing up now.

Chairman Nazzaro: All in favor?

Unanimously Carried

Other

Chairman Nazzaro: O.k., we do have three late resolutions Olivia and one was amended, I know and one has been changed.

Deputy Clerk Ames: That is correct.

Chairman Nazzaro: We have three and I'm not sure I'm going to take them in the order I have them in my packet. These were presented at Public Facilities under late resolutions and I gave the o.k. to present them here.

Proposed Resolution – Request Funding for DPF Sheridan Shop Fuel System

Mr. Bentley: The Sheridan shop fuel system, we received notice from the DEC that we have a violation on the fuel system. The fuel system is about 5 years old and it was determined that the violation was incurred between the design and construction five years ago. There is basically a need for an overfill tank on the diesel tank that's inside the big above ground tank. Right now there is a diesel and an unleaded gas tank all in the big one tank. Without the overfill tank, we're in violation so they sent me a nice letter saying that if I don't fix this, the County can be fined up to and including their standard amount (*inaudible*). So, we've engaged with some of the contractors to find out what we can do rectify this situation. The best proposal that we've come up with is to actually take the unleaded tank that's in the existing tank and re-pipe that as an overfill tank and basically buy a new 2,000 gallon un-leaded tank and place it adjacent to the existing fuel system. The DEC has agreed that that is acceptable. The cost that came in is about \$70,000 and I put \$5,000 in there for contingency just in case something came up but the alternative to not fixing this is to shut down the fuel system which we provide fuel for not only the highway vehicles but also busses, emergency vehicles in the area. This is a benefit to the County as a whole so, I believe keep this facility running in compliance is the correct thing to do even though it's additional cost of \$75,000. I asked to see if there was any opportunity to kind of go back and, how did it get missed, and it really was between the engineer, the engineer designed it, they changed the rules, and the contractor built what was designed but he didn't check the rules because he's building what he's asked and if anybody really missed it, I kind of blame the DEC because they should have inspected and noted it at that time. But, it's so hard to go back now and go after somebody five years later for this.

Legislator Niebel: Especially with DEC.

Mr. Bentley: At some point I feel like I'd be shooting myself in the foot. I believe this is the most economical solution to the issue at hand to go forward with.

Chairman Nazzaro: There is not much we can do accept fix it. Any questions?

Unanimously Carried

Proposed Resolution - Request Funding for DPF Sherman Ship Fuel System

Mr. Bentley: This one has a little bit more history as far as the design side. Sherman has our last two underground tanks in our facilities for fuel. They are about 20 years old. The tanks themselves are in descent condition but the piping that's underground is susceptible to corrosion and leaks and that's really where the main concern is. At 20 years, it incurs additional inspection costs from the DEC and so we're going to have some additional inspection and ramped up costs as well as exposure if something does fail and any environmental cleanup from this. So, we propose a project to remove those tanks and build a brand new fuel system next to the new Sherman Shop that we just built. Then COVID hit and we delayed the capital project so we didn't move forward with it until later in the year, last year. By the time we got the design and the final bids in, the project was originally estimated to cost about \$300,000 per the engineers estimate, our bids came in double that. I wanted to make sure we didn't get some bogus bids so I

reached out to my county counterparts in New York State. Similar fuel systems with similar design, we're in the neighborhood of \$600 to \$800,000, similar capacity. So I feel the bids are actually in line with that we are asking. So instead of coming here asking for another \$300,000 of fund balance which I knew what that answer would be, I sat down with the engineers and said we have to do better and come up with a better design. So looking at the top view, I said why can't we just reuse what we have as far as infrastructure on the current location. There is enough space where we can actually get these things out and put in an above ground tank in the middle of the two fuel dispensers and make it look like our other fuel systems. There is a side benefit of, the school busses in Sherman actually refuel there too and where the location was, it was going to be safe but it was a little tight squeeze between the building, trucks backing up and where the busses were going to refuel. So by actually moving to the original location, I think it provides an extra level of safety feature as well. We got an estimate from - preliminary indications that this design would only incur another \$39,000 by doing it this way. So we'd get an above ground tank, remove the underground tanks and basically refurbish the concrete, dispensers, and the islands and basically come up with a new fuel system. I think this is a good alternative to try and build a new one on a different location and reuses the existing project money. But I just need an extra \$39,000 to get this work done.

Chairman Nazzaro: Good plan. Any questions or comments? All in favor?

Unanimously Carried

Chairman Nazzaro: Our last resolution is, we have a new one placed on our desk, the one that we received as a late filing was also presented in Public Facilities but was moved to Audit & Control without recommendation by Public Facilities but we can put that one aside, and rip it up. I haven't even read the new one here so this is regarding the following:

Propose Resolution – Authorize Preorder of Leased Vehicles for 2022

Mr. Bentley: So, as I think most of you are aware, we did enter into an agreement for fleet management services with Enterprise to lease light duty vehicles and trucks instead of purchasing them. So as a trial run, I've been leasing some of my vehicles over the last two years to kind of prove the concept that this makes sense for the County to do and to continue to move it forward. My experience has been that it is advantageous for us to do it. I've seen direct monetary value with this. To give an example, I'm turning in one year old vehicles and I'm netting the equity position and rerolling it into the future lease. I have vehicles that are netting between \$6 and \$10,000 after one year so if you take that on a four lease payment, that's \$100 to \$150 reduction in your monthly lease payment and you get a brand new vehicle and a brand new warranty. You are not replacing tires, you are not replacing brakes, you might have an oil change in there but that is about it and all repairs are covered under warranty. So there's an actual dollar amount savings that are getting rolled into the savings in the monthly lease payment and then there is a savings in the operational (*inaudible*) with the maintenance aspect. So, for me, I feel that this is demonstrable but this is the right thing to do. Given the current environment of used cars and the pricing of used cars and the shortages in supplies, our value of our existing fleet that we own is probably at the maximum it will be for some time. So if we are to choose to go all in on this leasing program, I feel that this is the most opportune time to do it. We don't

know how long we – we do buy low because we get government incentives and we buy on contract and so we can buy low and sell high. As long as the car/truck prices stay up here, we will see that equity capitalization. That could change. That is a variable. We will continue to see the maintenance and maintenance savings as well as when we go out to do projects, we don't have trucks breaking down, people getting stranded, convenience. I'm aware of somebody that got stranded in Rochester in HHS because their car broke down on the side of the thruway. You have to figure out how to get that towed back, now you have the inconvenience of the person being stuck up there, how do you get them back? Those may not seem like much now but as they occur more and more, it's not the preferred way we would like to go. So, this resolution is really DPF only. I've tried to reach out to some of the other department heads so these vehicles are only those that are in the DPF as far as numbers. This would include the highway shops, the airport and buildings and grounds. CARTS, they get grants so they get their cars at a very big discount through their grant so CARTS would not be included in there. Just to give you some very round estimated numbers from Enterprise about what's our existing, what these vehicles would be appraised at. I believe the current equity position from an email was probably about \$450,000.

Chairman Nazzaro: For how many vehicles?

Mr. Bentley: Probably the 38, there might be a couple that are not in there but rough numbers. So about 38 vehicles for \$450,000. That would be if we sold them today. The 12 month equity position, meaning we're taking depreciation for 12 months is about \$360,000. The replacement lease cost is - the annual payments would be \$224,000 so that would be times four, \$900,000. So \$900,000 minus \$380,000, so that would be what you - that net would be what you amortize over the four year lease payments for all those vehicles. If I'm doing my math right, probably somewhere around –

Legislator Niebel: It would be \$996, I think, \$224,000 times four.

Chairman Nazzaro: The 224 times four is \$996.

Mr. Bentley: It's \$900,000 right?

Chairman Nazzaro: You said \$224,000 per year, it's four years, it's \$996,000, four thousand short of a million.

Mr. Bentley: No, Kathleen, isn't it \$900,000 or am I losing my mind?

Mrs. Dennison: I'm looking at the enterprise spreadsheet. We have \$217,000 is the annual lease payment for the ones that we currently own.

Mr. Bentley: So if \$250,000 is a million, \$224,000 is \$900,000.

Mrs. Dennison: Eight ninety six.

Mr. Bentley: You guys are off by \$100,000.

Legislator Niebel: You're right Brad.

Mr. Bentley: Again, these are round numbers and these values are going to fluctuate. I wouldn't get too much into the actuals. What I'm really looking for as part of this resolution is the authorization to go forward with this project. The other critical piece of this is ordering times. There are some things where if I ordered today, I'm going to get it in probably four to six months. If I order a month from now, I might be looking at 6 to 12 months or maybe even longer on these lead times. So this is really just a – I didn't feel comfortable just making this decision because we had the agreement with Enterprise. I want the Legislature to know what we're doing, how we're doing it because I'm basically committing the County, once I order, to this four year lease cost in the operating budget. You can kind of do the math, depending on where things shake out, it will probably be between an extra \$100,000 to \$150,000 per year of lease costs for these 38 vehicles. By the time you take \$900,000 minus the \$360,000 divide by four, somewhere in that range. Again, these values are going to fluctuate. What's the value of the turn in, when do we get it? I would think the used car market is going to stay this strong for at least 12 months. So this is the time to order, not down the road.

Legislator Niebel: You figure this is the time because of the high value of the trade-in right now?

Mr. Bentley: Yes and that's the recommendation of Enterprise as well.

Legislator Niebel: But that could change?

Mr. Bentley: As in life, I can't predict things 12 months from now and sure, anything can happen.

Legislator Niebel: But for the foreseeable future?

Mr. Bentley: Yeah, and I talked about the benefits of the program. We've demonstrated even – I think we have some short term causes that have caused the used car prices to go up. That can change but for the next 2 to 3 years, probably (*inaudible*) crystal ball hasn't been already been broken a million times, I would say, this is the right thing to do right now in my opinion.

Legislator Niebel: Enterprise thinks it is too?

Mr. Bentley: As a matter of fact, they wanted me to do this from day one but I wanted to prove the concept and I think I've done enough homework and I currently lease 16 vehicles, I'm going to be turning in 8 of those vehicles now with the orders and I'm going to save approximately \$10,000 a year. I will give you an example. You can talk about my truck. It's a 2020 Ford Ranger, I got it probably about 8 months ago and I'm going to be turning it in to get a 2021 and I'm going to be netting \$6,000 in equity value which is going to reduce the monthly payment on that truck by a \$100 a month for the next four years and I get a brand new truck with a warranty and no maintenance. That's really about the use of the vehicles. We have to go out in some tough conditions for the DPF so it's about safety and making sure we have the right

vehicles out there that work. But, if we can do this and save the County money like this, I can tell you that I'm trying to not invest money in some of these 2008, 2009, 2010, but you look at a repair and they will throw you \$3,000 in a heartbeat. So, I feel this is the right thing to do given the current environment that we're in.

Chairman Nazzaro: I have just a few questions. I'm not against this, I just want to make sure we understand, since it is a resolution, what we're getting ourselves into. So currently you're leasing 16 vehicles –

Mrs. Dennison: Well there is currently 24 vehicles leased, Countywide.

Mr. Bentley: DPF has 16.

Chairman Nazzaro: The other 8 are HHS?

Mrs. Dennison: They are HHS and Emergency Services.

Chairman Nazzaro: O.k., so just for DPF at the moment because my next question is going to be broader, so then you are going to add the 38 other vehicles, so your fleet, DPF, of light duty vehicles and trucks, will be 54.

Mr. Bentley: Total of 54, up to.

Chairman Nazzaro: O.k., so the one question I have and because I don't want to like, because I mentioned to you and I talked about this on the phone, I don't want to micromanage, I just want to make sure our Director of Finance and our Budget Director agree with this from a financial point of view. I think there is a lot of benefit. The one risk I do see is like, twice in my life I have leased a vehicle. All the other times I purchased a vehicle because I take care of it and I (*inaudible*) and I don't like to have a payment. So, the risk is when you lease, we're really committing to a long range plan here so let's say three or four years from now, we don't know, or even two years from now, the market changes and then you need to buy – you said the lease cost go way up and you say, the lease program is not working, now we have to go out and maybe looking at buying 54 vehicles over a period of time. So the risk is, once you lease, you are sort of locking yourself in to that philosophy that you are going to lease. For all the reasons you gave, I'm not against that. I just want to make sure that we've looked at the potential risk of not leasing having to go back to purchasing. I just want to make sure the Director of Finance and you Kathleen are on board with this from a financial view because we look to you as our financial directors to say, yep, this is good.

Legislator Niebel: Because trade in values could (*cross talk*)...

Chairman Nazzaro: Because right now I have a Toyota four runner, it's five years old and the value of that has gone way up because of the type of vehicle it is and the demand. So just want to know if we have your blessing? Kitty?

Ms. Crow: The whole reason we brought this to the Executive and Legislature a couple of years ago was exactly for this reason. The whole model that Enterprise offered is exactly what Brad has described and that we are actually have been benefitting the way the program was intended to benefit from. So, Enterprise, they are experts in the market, they are constantly reviewing what is the opportune time for us to turn over a vehicle. Right now, yes, it's exacerbated because of the shortage of vehicles and that makes the resale value right now even higher than normal but even without that, that's what their expertise is knowing when the opportune time is when to turn over the vehicles. So that would be the normal process. I know we kind of eased into this because we wanted to see in fact if that is really what is going to happen but there is many other counties that are in this program and I think it was Genesee County when they began leasing, they turned their whole fleet over in one year. We had decided when we implemented to kind of do it gradually. But, right now because of the conditions, I'm in full agreement with Brad's approach to turn over the greater amount of the fleet at this time and take advantage of the current market conditions.

Chairman Nazzaro: Maybe I heard the number Kitty or Kathleen, whoever wants to answer, over say a four year period, what does it project – I mean, I know we're going to an operating cost, we got the depreciation, overall budgetary what are we seeing as a savings over say a four year period? Do you have a ball park – I mean, what is the positive financial impact on this?

Mrs. Dennison: The Enterprise's original proposal over 10 years was a savings of approximately \$1 million dollars.

Chairman Nazzaro: Approximately \$100,000 a year.

Ms. Crow: That was under the assumption that we were going to be turning over all of the fleet over a period of time. So, I would think that since we're maybe right now escalating that turnover rate, we're getting more of the vehicle that's the lease program sooner than it was the original projection that we have the potential to save more than what their initial projection was.

Chairman Nazzaro: The other question that I have would be, like HHS, obviously they have cars versus trucks which is where the market is, I think, but there is also a shortage of production of cars. So, Kathleen, how many vehicles did you say they lease now?

Mrs. Dennison: They lease 8.

Legislator Niebel: That includes Emergency Services.

Chairman Nazzaro: My question is going to be, what size is their fleet and this is the time to increase that or (*cross talk*)....

Mrs. Dennison: I think currently they are only leasing 2 vehicles but Brad and I have had a couple of meetings with Enterprise Fleet Management over the last few weeks and Val Lis has been part of those meetings, shes given Enterprise a list of all their vehicles and in the process of getting quotations from them. So they are certainly looking at expanding leases as well.

Chairman Nazzaro: How many do they have – what is the total fleet as far number of vehicles?

Mrs. Dennison: I don't remember.

Chairman Nazzaro: That's alright. I'm assuming it's pretty large.

Mrs. Dennison: I think it's around 20.

Chairman Nazzaro: What do we do with our Sheriff's cars?

Mrs. Dennison: Under Sheriff Braley has looked at the opportunity of leasing and he is not in favor. When we had the capital project review with the Planning Board, I asked them about leasing and he said that he's talked to other counties that have leased and they are not fans. I'm not 100% convinced of his argument but the Sheriff cars do have an awful lot of equipment added and that is one of the main reasons that he does not plan to lease at this time. *(Cross talk)* to the other – a large amount of aftermarket items that have to be added to the vehicles.

Ms. Crow: And Enterprise only, I mean, at one point in early discussion with them at that time, Enterprise didn't even do leases for Sheriff vehicles but they do now. They go offer it but for a couple of reasons, it may or may not be as lucrative, I should say, might save some but not as much as – I know it's really the trucks that tend to have the higher resale value and that would mainly be in Brad's operation.

Mr. Bentley: I agree. There is a cost to switching vehicles and there is even a cost for me. If I got a mechanics truck, they have to take all the stuff out of the bed and reattach. I can do that fairly economically. I think the Sheriff's with the decals and all the lights and all the equipment, I think that hurdles a little bit higher so you have to have more of an equity position in that formula to kind of make that work. I kind of understand the Sheriff's argument a little bit more. To the extent that Emergency Services has the same issue, that they have a lot of equipment that they have to build into those *(inaudible)* and put on to make it functional.

Mrs. Dennison: And bringing up the Emergency Services vehicles, if you look at the information from Enterprise, those vehicles are all on the Enterprise list of leased vehicles that should not be turned over at this time. They currently have a negative equity, slightly negative equity position. So, I guess the short story is that, we trust what Enterprise is telling us. I mean, they have given us a lot of information and as I said, they are saying some of these vehicles, no, you shouldn't change them at this time. Sorry, I misspoke, the negative equity ones, - I'm just saying just that those Emergency Services and some other ones are on the list of the ones that should not be exchanged at this time. So, they are not saying you should do new leases on everything, they are saying that these ones you should, these ones you should not. I would also add that when we looked at this initially a couple of years ago, we did an analysis of the cost of leasing versus holding owned vehicles for 10 years and that analysis and now granted that was in a different resale market, a less favorable resale market but that analysis showed that if all of our County vehicles, if you held them all for 10 years, you probably would spend a little more on leasing. But that doesn't take into the savings of keeping them all 10 years was small and can't

really factor in the eventuality of major repairs and some of the more soft dollar benefits of driving newer vehicles. So that was kind of like the worst case in leasing. You have all these vehicles you can, they are all functioning well, you can keep them all 10 years.

Chairman Nazzaro: Any questions or comments?

Mr. Bentley: I would just add one more thing. If granted the approval to do this, it doesn't mean that I'm necessarily going to, if you noted the word, up to, I'm going to be looking at this on a case by case basis and like you said, you don't want to micromanage me and I don't think you should either, but, be comfortable knowing that I'm going to be working with Enterprise, working with Kitty and Kathleen, when we make a recommendation to do a lease, it's because we believe it's the right thing to do. If there is a vehicle out there that it just doesn't make sense to lease that vehicle, I don't know what the reason may be but if we come across that scenario, I'm not going to do it just because we said we were going to do it. We're going to make sure it makes financial sense, business sense, safety sense and it's the right thing to do.

Chairman Nazzaro: I know that Brad wants to be transparent and all that. Is the resolution even required for this?

Mr. Abdella: I can speak to that because originally the resolution did have a budgetary change in it but that was deemed to not be necessary. The same question occurred in my mind, do we need to still go forward with the resolution? The reason I thought was a good idea to do it was its in essence making commitments for future year budgets. So I just felt that it was a good idea to have the Legislature approve the concept in this case even though the Charter wouldn't normally call for it. These are executive powers to enter into equipment purchases and things like that. But, it impacts future budgets so I think it's reasonable to have the Legislature pass a resolution so it's on record that you supported the actions that affects future budgets.

Legislator Niebel: It's a policy (*inaudible*).

Mr. Abdella: In a way, yes.

Mrs. Dennison: But we can, just a footnote, any of these leases, we can get out of them at any time. They are structured as four year leases but if we decide, for whatever reason, after two years that we don't want to lease this vehicle anymore, we can end the lease and if we have a positive equity position at that time, Enterprise cuts a check for what the equity value of that vehicle. Now, I say we're getting out of a lease, we'd probably would have to purchase a new vehicle but just to add that note that it does, as Steve indicated, it does essentially commit us to future expenses but those can be modified if we choose to.

Chairman Nazzaro: Anyone else? All those in favor?

Unanimously Carried

Chairman Nazzaro: O.k., was there any other resolution that I missed?

Deputy Clerk Ames: No, I don't think so. We need to amend that?

Chairman Nazzaro: Well, it wasn't actually approved in any other committee. The other one was moved without recommendation so this is a new resolution.

Clerk Tampio inaudible.

Chairman Nazzaro: It was a late resolution. It was late to Public Facilities and we took no action on it at all.

Mr. Abdella: I think because Public Facilities took no action, coming into today, there was no resolution so this is a committee taking something up under "other" and you guys are going to sign it and now it's got legs. Because it didn't make prefile so it wasn't there, it doesn't exist until you guys sign it.

Chairman Nazzaro: O.k., thank you. So you will note under discussion, I did call Kitty yesterday, we're going to go over the five year finance projections. I asked that we not do this today because we have two members who are not here and also Legislator Gould and I have heard this so what I suggest because in July, Kitty, I believe that we're going to have the auditors give their findings for 2020, is that correct?

Ms. Crow: Yes.

Chairman Nazzaro: So we're going to have that under other and I believe we're going to have a corporate compliance report under "other". So for the July meeting, we're going to have two pretty lengthy discussion items.

Ms. Crow: I was just going to throw out, depending on our agenda on our Tuesday morning meetings or I don't know if it would be allowable or not, I suppose we could always invite the other Audit committee members to that meeting to review the 5 year projections. In consideration of it, it might already be a long meeting in July with the other items.

Chairman Nazzaro: I would prefer to do that in an open meeting because I feel the 5 year financial projection should be public information.

Mr. Abdella: Yes and if you assembled for any reason, a quorum of the committee, would you are going to be subject to Open Meetings Law.

Chairman Nazzaro: Let's do this, let's keep it under discussion for July. We'll put that as the third discussion item. We'll have the audit report, the corporate compliance, we'll have the 5 year projections under "other" if that is o.k. with the committee. If it gets to be too lengthy or people have to leave, I think it's very good for you. You can always contact Kitty, she sends out everything. There is a lot of good information there. She went over very high level, at the last Audit & Control meeting, very high level that the County did perform well and the projections do look good over the 5 years. As always, she puts assumptions in there that you've done with other 5 year projections but I think it's good for the committee and the public, because it is a

public meeting to hear what we're forecasting over the next 5 years. So Kitty, we'll keep that on the agenda. I just took it off today because two of us are not here.

Discussion - Steve Abdella – Real Property Tax Issues

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

Unanimously Carried (10:56 a.m.)

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