

Budget Hearing Minutes  
Public Facilities and Audit & Control Committees  
Monday, October 1, 2018, 9:00 AM., Room 331  
Gerace Office Building, Mayville, NY

PF Members Present: Hemmer, Nazzaro, Wilfong, Gould (Absent: Scudder)

AC Members Present: Chagnon, Niebel (Absent: Muldowney)

Others: Tampio, Dennison, Bentley, Rodgers, S. Zafuto, Reynolds, M. Westphal, J. Hansen, R. Almeter, Borrello, Panteli, T. Walsh, Cummings, P. Abram, Crow

Chairman Hemmer called the meeting to order at 9:00 a.m.

Mrs. Dennison: I would like to start by giving you just an overview of the binder you have as far as what information you have in front of you and then we'll give a few highlights of the budget overall.

So your binder starts off with the tentative budget portion. That's the portion in front of the black divider and this is the document that is posted on the County Internet. So that is there for public viewing. I would say the main exhibit there is behind the operating budget tab that starts off what we call the local share spreadsheet and that summarizes all of the activity for all funds for all department and organizations and also shows the tax levy, the full valuation in the bottom right corner and the full tax rate. A few tabs behind that is starts with the budget detail by department and that section summarizes the budget at the classification level for all of the different organizations. It's in order by organization number and all of the organization numbers are also on your schedule for today. So you could find the individual tab for each organizations. Again, it's in order by the organization number rather than the order of the proceedings.

The budget by detail, be department, as I said, it is just at the classification level. We're going to use more of the information in the detail section. So if you want to flip to the detail section that starts behind the black tab. Then in this section, again, it's in order by organization number, tab for each organization and each section starts with the budget summary which is a spreadsheet that shows, on the first page, the local share summary for the organization, the change in local share for all departments within each organization. Second (*inaudible*) section is the position account or changes in the number of positions in the organization. Then it's followed by the budget by organization. This again shows each budget by classification and then gives commentary for the reason for changes. And the first page in each section will summarize all of the individual department within the organization. In most cases, the commentary is on the detail sheets. The first page and I said will sum all the individual departments and then behind that there will be a page for each department within the organization and that is where we'll spend most of our time this morning. What we've recommended to the department heads during their reviews with me and the County Executive is that they walk us through this summary and

just explain any significant variances, adopted budget 18' versus proposed budget for 19'. There are also projections on here where the departments are projecting 18' results and so some of the commentary might apply to changes between the adopted budget and the projections for 18'.

Then the last section in your book, as I say, within each of these organizations they are starting with the summary and then behind the hot pink sheet would be what we call the line item detail. So that will have the budget by individual account for each of the departments within the organization. In general what we have done in the other reviews, as I said, is focus on the summaries and then just refer to a line item detail if you have specific questions on individual accounts.

What kind of peculiarity with this line item detail report is that, all of them start with the – it will be all revenues for all of the departments and then it goes onto all of the expenses. So unfortunately you won't see easily for individual department, you won't see a sub-total or local share for that department. So it can be a little tricky to find the accounts we're looking for because, it's revenues and then it's costs.

Is there any questions on the book itself? You also have, I should call your attention to, in the front of the binder, two additional exhibits. It should have been in the front pocket. One of them is the rolling 12 month average. This one it shows the actual results for the 12 months from July of 17' through June 2018 and then compares those actual results to the 18' budget and the 19' budget. You should also have a projection of cash flow. We have a projection of all accounting results for 2019 through 2023 so that is for you as well. It shows the projected appropriations and revenues as well as projected fund balance. So that is everything that is in the book and then just a couple of comments about the overall budget. The budget does - there is no increase in tax rate, as we discussed at the County Executive's presentation. There is no use of general fund balance, there is no increase in unfunded positions, so no new positions unless they are funded and there are significant capital improvements. The base pay figures, they include increases associated with any step increases and they include increases for settled contracts. So there is a 1.5% increase in the DSAC contract and a 1.5% increase in the Lieutenants unions, CCSSA and there is a 3% increase for managers. There is no base pay increase for CSEA unit 6300, 6322, or 6323. Health insurance, this year we are fortunate to have only a 1.9% increase in the health insurance rates and also the budget assumes a lot of people migrated to the high deductible health plan in 2018 and the 19' budget assumes that people will keep the health insurance election they have currently. So, a lot of people are in the high deductible plan in 2019. Any new positions are budgeted on the high deductible health plan and so that change is helping us realize a \$700,000 decrease in health insurance costs overall. That is in the A, D, and DM funds. So not including any of the enterprise funds. That is a very favorable change from last year when we had a 10% increase in rates and we're looking at about a million dollar increase in health insurance costs. This year, health insurance costs are actually expected to decrease.

Legislator Nazzaro: You said a premium increase is 1.9?

Mrs. Dennison: One point eight six percent. Then the last significant change that we made from an accounting change in the way that we're accounting for occupancy costs. The CSEA President, the cost of that position and also the NYSAC dues. In the past those have been distributed across all of the operating departments but for 19', we are proposing that those be consolidated into the departments that actually manage those amounts. So all of the occupancy charges are now budgeted into Buildings and Grounds Department. The CSEA President is entirely budgeted in Human Resources. The NYSAC dues are all budgeted in the County Executive's department. So, that will show for almost all departments, they are showing (*inaudible*) significant decrease in their contractual costs because they are no longer charged the occupancy. So I a lot of the departments have a local share decrease in looking at 18' budget versus 19' budget and then some department will have an increase. Most notably, Buildings and Grounds because Buildings and Grounds keeps all of the charges for occupancy. So, I do have an exhibit, it's not in your book but I have an exhibit that identifies those accounting changes for each of the organizations. It's also included in the commentary but if you have any questions about what the accounting change amount is, I have that information and can provide it for you.

Chairman Hemmer: Why did –

Mrs. Dennison: Why did we do that?

Chairman Hemmer: Yes. What was the -

Mrs. Dennison: Two reasons. One is that a few years ago we started consolidating some other costs into what I would consider the main department like I.T. costs. We used to charge a lot of computer costs and we've stopped doing that so a lot of charges are all in the I.T. Department. Records Management is another one. We used to charge all of the departments and now it's all in the Records Department. So we wanted to be consistent but also to put the budget in the department that really controls those costs. With occupancy, of course for example, it's kind of an arbitrary – I mean, I wouldn't say it's arbitrary, it was a detailed calculation of the occupancy charges but the department that got that expense in its budget, had no control over it. So we thought it would be better to keep the budget in the department that really does the work and controls the costs. But it does create – it creates a difficulty, in this year only, with year over year comparisons. Any other questions before we move on from me?

Legislator Niebel: Just one question and I Kathleen, I apologize if you have already covered this, I came in a couple of minutes late, but, the overall increase in the valuation of the County property, last year I'm thinking it was 1. something or other, 1.6 or whatever, what is it this year?

Mrs. Dennison: Two point two one percent.

Legislator Niebel: Two point two one. Did you mention that earlier?

Mrs. Dennison: I actually did not mention the increase in valuation, no.

Legislator Niebel: O.k., 2.21 and that is the figure that you get from the State (*inaudible*)?

Mrs. Dennison: The valuation figure comes from the Office of Real Property Tax. Are you talking about the tax cap increase?

Legislator Niebel: No, not the tax cap increase. The overall (*cross talk*) valuation of all the County properties.

Mrs. Dennison: That comes from the -

Legislator Niebel: That actually comes from the Office of Real Property Tax?

Mrs. Dennison: Yes, it comes from our Department of Real Property Tax.

Legislator Niebel: Last year was 1. something or other?

Mrs. Dennison: Last year I think that it was only .8%.

Legislator Niebel: This year it's 2.2%. Thanks Mr. Chairman.

Chairman Hemmer: Any other questions? O.k., thank you very much Mrs. Dennison. O.k., shall we proceed just as we have it here on our schedule with the engineers first.

### **Department of Public Facilities:**

Mr. Bentley: Just a couple of statements before I get into the engineers. As you can see in the overall budget there are a lot of ups and downs so we'll be going through the details on that but there are a number of changes, some of which Kathleen already mentioned. So as we go through the other areas such as the Buildings and Grounds you will see those details. But on the second page over, FTE count, we're projecting 170.4 which is down 3.87 FTE's equivalence. The details are, like I said in there, any changes Kathleen mentioned, the union President, HR allocation, 1.89 was due to the sale of the SCOB building, two maintenance staff there basically and we were (*inaudible*) manage that through some attrition and movement of employees so we didn't have to actually get rid of anybody, we managed it. The other one was, I don't have a

Clerk anymore so I'm trying to keep track of my calendar by myself. I'm surprised that I got there this morning but I did manage so it proves that I can do it. I did go back and I wanted to find out what the historical FTE count and Jay might be able to answer this question for me but I have the numbers. So, in 2014 we had 172, 2015; 176; 2016; 172, almost 173, 2017, we had 174 and 2018; 174. So, I think that we have been doing a good job of managing the employees and working with the staff that we do have. We do, within that variations probably a lot of seasonal hires that could vary some of it but, at the end of the day, I think that George Spanos had run a pretty lean shop, controlled the costs and I think that is indicative of making sure that we get the job done with the folks that we have. With that, we're down a couple of more but I think the reasons in there make sense to me and I don't feel there is any detriment in service dealing with those reductions. So, with that, I think that we could go to the engineers tab.

### **Engineers:**

So, within the Engineers Department there is no change in FTE's here. Still at 6.25. We did have some change in personnel but as you hire someone newer, they come a little bit cheaper than maybe the person leaving is. In essence that is the reason for the decrease there. Essentially we are increasing the permits by \$10,000. We think that we're going to get a little bit more money for road permits. It's a little bit of a guess but with the wind mills and the use of our roads, we feel that it is appropriate at this time.

Chairman Hemmer: That's right, the wind mills were a large amount of money involved with that permit, right? (*cross talk*)

Mr. Bentley: Yeah, a \$900,000 road permit and talked a little bit about the road maintenance but we just got a bill in for about \$825,000 to fix the roads that they damaged. So we're definitely using the money that we had requested. It was a fair amount. Pretty simple on the engineers budget.

Legislator Chagnon: The base pay is going up by 48% with no FTE change.

Mr. Zafuto: That's a change in how the capital projects are charged out. Before we use to reduce certain personnel (*inaudible*) salary. Now, it's actually (*inaudible*)....

Legislator Chagnon: So that is the payroll allocation (*cross talk*) but you are not charging it out to capital projects and you are doing payroll allocation to the capital projects?

Mrs. Dennison: Just to add to that, what Sam mentioned is that, our budget system, we were able to use a little differently than we have in the past. In the past, we had to arbitrarily pick

a position, arbitrarily reduce the salary which was not ideal but now we're able to actually budget it in the allocation in its proper location.

Legislator Chagnon: You say that this is an improvement.

*(Cross talk)*

Mr. Bentley: So next year it will be consistent so we'll be right there. Any questions on the engineers?

Legislator Gould: There is so much *(inaudible)* with engineers now, where they just open a book and take a plan out of there. Will that every show up in the number of employees that you have?

Mr. Bentley: I will say this. While there are things that you can pull out and we are driving some efficiencies from having software where we can take a standard design, each application does have its challenges so at the end of the day, you still need the same person to go out there and look at the variations because you've already given a standard design to the guy constructing it, he'd probably go, what are you doing here? So, we do need to make sure that we are doing our due diligence to go out into the field, verify the conditions that are out there. What we have been doing is improving our design so that we'd probably reduce the amount of as built information that we have. So I think the efficiencies won't necessarily show up in the personnel, I think that it will show up in the way we do our business. So it's in the operating expense overall. It's a little hard to quantify that but we are definitely seeing that from a software in trying to do that. We're not perfect but we starting to get better. Any other questions?

### **Buildings & Grounds:**

Mr. Bentley: I have Drew Rodgers here and if I can't answer any questions, I'll be looking over to my left. Before I get into the numbers, I'm just going to generally explain what Buildings & Grounds cover. For those that have heard this before it will be a little repeat but in case there is somebody that wants to hear the details I'm going to go through them anyways. Basically Buildings & Grounds, we provide building maintenance and grounds maintenance and cleaning services to County owned facilities. In particular, the Mayville complex which included the HRC, GOB, Court House, the MMB, which is the old Mayville School, at the South County Office Building that we sold. We still do the cleaning services and then at the Ag Center, we have that but we do not to the cleaning or ground maintenance for that. In addition to the maintenance and cleaning services, Building & Grounds also pays the rents at SCOB, North County Office Building, the Jamestown and Dunkirk DMV locations. Starting in 2018, Mental Hygiene has elected to assume the lease administration rental payments for their City Hall up on

the 5<sup>th</sup> floor. MMB and the East 5<sup>th</sup> Street locations. If anybody has a question, stop me and ask. No longer funded through occupancy charges from other County departments. So basically what Kathleen had mentioned that we're no longer doing the occupancy – no longer funded through those charges. The only revenue is a small rental income at the Ag Center. We still do have a small income there. Our overall summary of the budget for 2019, our expense total is \$3.135 million dollars. This is an increase of \$261,840 as compared to the 2018 adopted budget. It's also a decrease of \$52,000 compared to the amended budget. We have increased from the 2018 budget, formally due to the South County Office Building rental payments. So again, we sold the building, lease, now to pay rent. So that is kind of the reason for the increase. Our leases total increase is about \$9,200. The Dunkirk DMV remains the same as last year. Our Jamestown DMV increased approximately 4% to \$42,340. North County Office Building decreased from \$411,000 and I know that some of these numbers may not be on here but I'm just kind of going through the highlights here. Decrease from \$411,000 to \$400,970 and the South County Office Building increased approximately 4%, from \$595,000 to \$619,000. Our utility budgets, our gas is based on our projections provided through Erie County Cooperative. The electric is based on usage and expected (*inaudible*) rate calculated in 2018 and stayed similar to last year. As we contacted Mayville and at that time expected no rate increase. Water and sewer is based on past usage and the anticipated 2019 rates are provided by the - Drew gave me this number and I'm going to believe them to be true. Approximately 94 to 96% of our expenses are pretty much set for us. They are out of our control so we don't have a lot of - the rents, the utilities, and the contracts. So, trust the percentages are there. For the FTE's as we mentioned, due to the SCOB building sale, our FTE count is down to, I think, 19.84 now as we no longer have the maintenance staff at SCOB. The Jail, which is connected to our central heating and cooling system, the HRC and GOB, the Jail is in the B&G budget is only for their share of the system. HVAC put on a maintenance contract and as needed on the central system and gas.

Mr. Rodgers: We just highlight that because we don't want you to go through the budget and think that we're budgeting something for the Jail. It's just their share of the central heating and cooling system, those expenses only.

Mr. Bentley: So basically that's reallocated, right, because we don't have the meter on it.

Mr. Rodgers: Right, it's based on square (*cross talk*).

Mr. Bentley: They do use the system so they ought to pay for it. It's kind of the high level highlights of the Buildings and Grounds. I think looking at the actual page itself, we can see the reduction in staff and personal services. We are replacing some aged cleaning equipment. Vacuum cleaners, -

Mr. Rodgers: Two floor scrubbers and a carpet extractor.

Mr. Bentley: And then the big one there is the, on the contractual, the adjustment in SCOB for expenses for rents. Then under the revenue side you can see under the RE15, that is where we're no longer charging the occupancy and you can see the impact on the revenues. The main revenue there, I think, that is the Ag building. I think those are the highlights there. Open for questions.

Chairman Hemmer: On the local share summary, that first page there, the line for Buildings and Grounds has a minus 36,000% on it. Is that something to do with not charging the rent to the different departments?

Mr. Bentley: Yes. That's where that comes in.

Mrs. Dennison: Because there was actually in maybe their local share for Buildings and Grounds for 2018, so they made a little money by getting paid by the individual departments. So they (*inaudible*) local share in 18' and now they have a large positive local share because they are no longer getting occupancy payments or rent payments from the individual departments. That automatically ends up as a negative percent change by (*inaudible*) to a positive. It looks a little strange. It looks a lot change.

Chairman Hemmer: I thought that it had something to do with the charging of the rent.

Mr. Bentley: I asked that question about 6 times too.

Chairman Hemmer: That's the overall total local share goes up 114.6% but that's - a lot of that appears to be in capital improvements. Can you explain a little bit about that? Where is that extra 100% going?

Mrs. Dennison: Due to the accounting change, the Department of Public Facilities had additional \$2.9 million dollars in local share.

Chairman Hemmer: Because of the capital improvement that didn't go in there? What was that?

Mrs. Dennison: No, not because of the capital improvements. So, Buildings and Grounds used to get revenue from all of the other County departments and now it does not.

Chairman Hemmer: I got that. That is the minus 36,000, right? I was just asking about the final local share total line on there. Just that first page. Not Buildings and Grounds but the first page.

Legislator Nazzaro: You were asking about overall?

Chairman Hemmer: Yeah, overall. About 114%.

Legislator Nazzaro: You are jumping ahead.

Chairman Hemmer: O.k., I'll wait until it gets explained.

Mrs. Dennison: The answer is, the local share for all of the Public Facilities is going up 3.1 million dollars about \$2.9 million of that is just due to the accounting change. Only \$200,000 increase in actually additional local share for all the other.

Mr. Bentley: For all the other, other than the Buildings and Grounds would be - when you combine all those line items, it would only be \$200,000.

Chairman Hemmer: So that's a real number but it's -

Mr. Bentley: A lot of that is the road machinery and fuel pricing. As we get into that we'll be able to show you where those line items are.

Legislator Nazzaro: Especially when we get to that fuel cost (*inaudible*). Favorite topics are like salt (*cross talk*).... and airports, we love the airports.

Legislator Niebel: Most of the increase, approximately 90% is really just an accounting change.

Chairman Hemmer: O.k., thank you. It looks a little weird.

Mr. Bentley: Just as Kathleen explained, I think it allows the other departments to have better control over what they need from a space requirement. So (*inaudible*) them to do, to make themselves more efficient when they start seeing those items. Only take up the space that they need. I think putting in their hands actually is a good change.

Ms. Hansen: Another reason we did it is those costs are through the direct cost allocation plan. Charging it up to departments is actually doing the (*inaudible*) twice. So the departments that can claim for reimbursement using that cost allocation (*inaudible*), there is no reason to actually (*inaudible*).

Legislator Nazzaro: Didn't we change last year, the I.T.? What did we change last year?

Mrs. Dennison: We didn't change anything last year. I.T. it's been at least two years if not more.

Legislator Nazzaro: This is a similar type of issue (*cross talk*)....

Ms. Hansen: (*Inaudible*) redundant work basically.

Legislator Nazzaro: You make a good point to do any local shares and this is a much better way to do it.

Mr. Bentley: Any other questions for Buildings and Grounds? O.k.

### **CARTS:**

Mr. Bentley: I will give similar background on this. For CARTS, our public transportation system for Chautauqua County. We operate 25 routes throughout the County. All buses are wheel chair accessible. In 2017, we traveled almost 900,000 miles and we did 193,190 trips. So we're definitely using our busses. That is a good thing. CARTS have three types of service. We have a (*inaudible*) City fixed route. This is a type of service that is the least expensive type. It operates in Jamestown, Falconer, Celoron, Lakewood and the Dunkirk/Fredonia area. This route travels on specific routes and does not deviate from those routes. Riders have to flag down the bus along those routes. We also have rural deviated routes. This type of service travels throughout Chautauqua County. This route will deviate as time allows to pick up riders off the route for an additional costs. We also have dollar ride. This is also referred to as demand response or Para transit. The services is offered as a compliment to the City fixed route for riders who are unable to access the fixed routes due to a disability. There are two levels of dollar ride service that we offer. One is curb to curb. Riders that can't get to the bus without assistance and the other one is door to door and that is for riders that need assistance for the driver to get them to the bus and into their destination. Every Tuesday, CARTS offer a shopping run to area stores. Will assist passengers with loading and unloading their groceries. In addition, CARTS coordinates the Veterans Services bus that runs to Buffalo VA on Wednesday, Friday and one Thursday a month. We also coordinate with the Office for the Aging for volunteer transportation. The Chautauqua County Mobility Manager is also housed at the CARTS location and that employee is Jennifer Blair(?), and she's employed through the Workforce Investment Board, Chautauqua Works and her salary is funded through the Federal Transit Administration formula grant for rural areas section 5311. What that means is we get a grant for her salary. Then Jennifer is on to do travel training and does presentation throughout the community about the public transportation. She's also the head of the Chautauqua County Transportation Coalition. So she's really out there trying educate the public about what CARTS does. I'll put a plug out there and I got George's attention too, one of the things that Michelle

and I have been talking about is, I think CARTS is a underutilized, unknown quantity in Chautauqua County. I think we have this services that runs every day but if you ask people what CARTS is, I will guarantee you that probably one out of a 1,000 will get the right answer. I will be the first to admit that I would have never gotten the right answer without being in this job. So, I think one of the challenges we're going to have going forward and one of the opportunities that we're going to have going forward is how to better utilize this whole service. I know the talk of the hub, Jamestown is one thing, but CARTS is so much more than that. I want to bring out what that means to the community because it's a great asset and I want to make sure that people understand what you can use it for. It's not just for the poor and disabled. It's our public transportation system. So, within our budget, Michelle and I had the challenged size opportunity to really try and make light of the opportunity to use this asset. We'll be exploring that. A little heads up for George.

County Executive Borrello: (*Inaudible*) been talking about extra before you came on board on what we can do to make CARTS more truly a mass transit for Chautauqua County. We talked about potentially adding a tourism element so we'll continue those conversations. I think we need to rededicate ourselves to a better accessible service for people throughout the County.

Mr. Bentley: That is my overall spiel. That is my sales pitch for Michelle as well. Any questions at the high level of the services that we provide?

Legislator Gould: I see there is an increase of \$27,000 for health insurance. I heard just a little while ago that health insurance was going up again. Could somebody talk about that a little?

Mr. Bentley: I can certainly do that. As we get into the numbers, the health insurance did go up and this is primarily due - Michelle is always the (*inaudible*), I believe there is one employee that went from the high deductible plan back to the traditional plan which has an increased costs. Michelle has a lot of part time drivers that have no health insurance so one employee makes a difference. So it's the one decision that -

Mrs. Westphal: And we didn't have a lot of employees that switched from the PPO to the high deductible for this coming year.

Mr. Bentley: So the overall theme still holds to what Kathleen says but CARTS is the outlier just because of the employee structure.

Legislator Gould: CARTS is different, huh?

Mr. Bentley: As I took this job I knew there was a variation of how each division operated. Little did I realize how different they were and we have a lot of – to say the same theory here shows true over here, doesn't always apply. It's one of those things you have to dive into the details and then once you see the reason for it, then you go, o.k. that makes sense even though it doesn't match the consistency of what the message is. Yep, this is the one, you caught it. With that is the increase in fuel so maybe I'm going to steal my thunder for later on but did some fuel pricing so I can give you some of the facts and figures on that. For 2019 our fuel budget for gasoline is \$2.20 a gallon. For diesel it's \$2.60. Just to let you know, there is no one in this room that is probably going to be the forecaster at knowing exactly what the average fuel price throughout the whole year is going to be and if you are, you probably wouldn't be in this room. You would be making a whole lot more money somewhere else. So, with that, that is where it was as of July 31<sup>st</sup>. I asked Sam to pull up the current pricing just to see how far off we are today from where we were in July, so the current pricing is \$2.35 for gasoline and diesel and \$2.53. Gasoline a little bit higher, diesel a little bit lower but we're not off by a dollar. If you can compare that to what it was for 2018, this would have been the price as of July 31, 2017. Gasoline was a \$1.65 a gallon and diesel was \$1.75. So, alright Sam, let's go back five years and see what we used. For the 2017 budget, (*inaudible*) it was \$1.65 for gas, a \$1.53 for diesel, for 2016, it was \$2.15 for gas and \$2.15 for diesel. If you go back to 2015, if you remember the high gas prices back then, it was \$3.20 a gallon for gas and \$3.25 for diesel. So you can see how the variation is. We have to pick your poison and kind of live with it. I think \$2.20 and \$2.60 seemed to be in the neighborhood right now, especially given the current pricing \$2.35 and \$2.53. However, it does necessitate an increase for 2019 versus what we have budgeted for 2018. You will see this consistent theme throughout my divisions as far as the cost in fuel increase. Related to that as well is materials as those are also heavily dependent upon the fuel pricing. Asphalt and other materials that we use in the Public Facilities, not only will you see in the fuel cost increase but you'll also see it in our materials. I believe they call it inflation. Any questions on the fuel? I wanted to give you a little history and I think that portrays that it could go down or it could go up. We don't know, we have to adjust.

Legislator Nazzaro: So at the end of the day, your budgeting what is really almost current.

Mr. Bentley: Pretty close. I mean, yeah it's fair.

Legislator Nazzaro: It's off a little bit. I mean it's going to fluctuate every week but you are not putting in an increase any of your budgets.

Mr. Bentley: Well, they are increased –

Legislator Nazzaro: I mean, but like from where the price is right.

Mr. Bentley: Yeah, I'm (*inaudible*) 2019 back to 2018 and I will say a projection for 18', as Kathleen mentioned, we are seeing actually increased costs for the end of 18'. We're running out of money because we'd only budgeted \$1.65. We're sitting at the \$2.35 range. So we're obviously pretty far above where we had budgeted for 18'. You'll be seeing that (*cross talk*).

Chairman Hemmer: There will be a budget adjustment resolution.

Mr. Bentley: I believe we're planning on that in October. It's going through the mechanisms right now.

Mrs. Dennison: That is correct.

Mr. Bentley: So you'll see that very shortly actually. I've been consistent with the message here.

Legislator Nazzaro: The \$1.65 is what you had in the 2018 budget and you are putting \$2.20 in to the 2019 budget.

Mr. Bentley: The methodology that I think George had used and I think no date is going to be perfect but he picked July 31<sup>st</sup>. We hope that is representative but as we all know, things can change and if they do we just have to acknowledge it and the costs are the costs at that point.

Chairman Hemmer: Hope that it goes down instead of up.

Mr. Bentley: When you look at over average price, as I said, you have one year where you budgeted \$3.20 and then it probably went down over that year so you saved money. When you look over a 10 year span, the things average out at the end of the say. When you look at an individual year, you are cutting a date and the numbers are what they are going to be at that point from it looks like, year over year.

Chairman Hemmer: We're not going to change the mileage covered.

Mr. Bentley: I think we're pretty close to the same mileage this year that we ran last year.

Legislator Nazzaro: And you keep the fares – no increase? I'm not asking for an increase I'm just –

Mrs. Westphal: Correct, I kept everything the same.

Chairman Hemmer: Do you have a number riders, total riders. Do you have any statics like on how much it costs per rider?

Mrs. Westphal: I can get that for you, yes.

Chairman Hemmer: It would be interesting just to see what -

Mrs. Westphal: I can get it to you.

Mr. Bentley: We have different types of riders too.

Mrs. Westphal: It would be the total cost of (*cross talk*) because the cost for a private or a city bus is less expensive than the cost for the demand response.

Mr. Bentley: I don't want to give you a number and you think, of geez, you are charging the average rider \$20 to ride that bus but that won't necessarily be true if we're mixing the pot a little bit. So, I just want to make sure I get you the information – we could break it out into –

Mrs. Westphal: I can try to break it out per service.

Chairman Hemmer: It would just be interesting to see how many riders – how much the CARTS service is used especially if you are going to try and do an increase, trying to advertise or somehow develop or expand your customer base. If you had the total number of riders this year and maybe you could get a measure of how your advertising works if you get an increase of riders next year.

Mr. Bentley: There is a nice brochure on the website which goes through all the fares and fixed route service. This is actual (*inaudible*) charges.

Mrs. Westphal: Who probably didn't pay, individuals. We have different fares for agencies and different fares for Medicaid riders.  
(*Cross talk*)

Mr. Bentley: Whenever you ask for the average, you have to be careful what that means because it's such a diverse service.

Chairman Hemmer: I guess that's probably a bad question. How about just the total number of riders just to get an idea. Is that in here, maybe?

Mrs. Westphal: For 2017 we had – we go by trips, not riders. So we had 193,191 one way trips.

Mr. Bentley: Meaning a customer requested that trip or (*cross talk*).

Chairman Hemmer: O.k., those are the customer requested trips versus the regular route trips or is that include –

Mrs. Westphal: Total.

Chairman Hemmer: That includes all the trips.

Mr. Bentley: Fixed routes.

Chairman Hemmer: So what was that number again?

Mr. Bentley: A 193,190.

Chairman Hemmer: So there was one passenger each time, that is 193,000 passengers that got –

Mr. Bentley: Yes. I think about the same things that you are thinking about as like, what is the perception of the costs and it really boils down to what the service is they are requesting because we do provide such a wide-range of services. From the door to door, to the grocery store, so we try to – I don't think that we're trying to make a whole lot of money from people, we're just trying to provide a service to the County.

Mrs. Westphal: And we do get paid by the State for every person that boards our bus. We get 49 ½ cents per passenger and 16 ½ cents per trip or per mile.

Chairman Hemmer: So then you do have to keep track of how many passengers actually ride the buses.

Mrs. Westphal: Yes, quarterly we have to do a report to the State.

Mr. Bentley: So that is a great segue because you are into my revenues. So, when we go to the department income we are seeing a little bit of a decrease in the long term managed care. So our revenue is slight down from last year and we're looking at the reason and trying to make sure that - there are a couple of different services that provide the Medicaid services. The fancy busses –

Mrs. Westphal: The long term managed care is like (*inaudible-cross talk*) VA. Medicaid is actually –

Mr. Bentley: The Medicaid is up and I don't know what NEMT is.

Mrs. Westphal: None emergency medical transportation.

Mr. Bentley: So we're seeing some slight changes there. Percentage basis, I'm not over concerned about those but –

Mrs. Westphal: We're working on that to get it moving.

Chairman Hemmer: We used to do more with Medicaid, right? That whole business of assigning the rides and whatever.

Mrs. Westphal: Yes, CARTS used to manage that and find the rides and we were able to take the rides that we could do and then pass the rest on to the other carriers. We've actually increased our ridership with Medical Answering Services which is the person who brokers the non-emergency Medicaid transportation so that is where you see the \$12,689 increase.

Chairman Hemmer: That's the increase?

Mrs. Westphal: We're working harder with them in establishing a good working relationship to try to get the rides increased and get the rides that we're supposed to get because we are less expensive than the private carriers.

Chairman Hemmer: I'm sure they know that. Why is it convenience that pulls the rides away from us?

Mrs. Westphal: Those rides will get picked up and go directly to their appointment where we may pick up three or four people along the way. You might have to ride, if you are coming to Mayville from Jamestown, you have to go on the scheduled route to do it where if you go with a private carrier you are picked up at your house and go directly to. That's just the nature of it.

Mr. Bentley: Then we have an increase in STOA.

Mrs. Westphal: That's the State Transit Operating Assistance. That is where we get the money for per passenger and per mile.

Legislator Nazzaro: Why is that going – is it because of ridership or is it a change in formula?

Mrs. Westphal: It must be a change in formula. The last two years I've had to come with a resolution to amend the budget so this year I just put it in because we have been getting it. What they do is, we have a cleanup payment. At the end of the year there is money in a pot and by formula they give it to –

Legislator Nazzaro: They reallocate it.

Mrs. Westphal: Yeah, so ours has increased so I put the increase – I averaged the last two years and put the increase in this year as well as the rural transit assistance. That is not guaranteed but since I've been even working with Cheryl in doing the budget on (*inaudible*), we have gotten it every year. So, rather than do a resolution, I put it in the budget.

Mr. Bentley: It goes along with the expected revenue but anticipated – if you get it enough years you should -

Legislator Nazzaro: (*Cross talk*), reoccurring ...

Mr. Bentley: If it does come back (*inaudible-cross talk*)... we try and do the best job that we can with the expectations. We don't want to over sell or under sell. It's our best guess at this point. Anything else on the revenue side or the expense side?

Legislator Chagnon: Communications going down 19%. It looks like in 18' you had increased it \$6,000 and in 2019 its going down \$5,000.

Mrs. Dennison: A lot of that information comes from the I.T. Department based on the number of land line phones. It could be a change in the phone service provided by the I.T. Department.

Legislator Chagnon: Do you have fewer phones ?

Mrs. Westphal: No. I looked back and the part that we did budget was \$4,275 and I looked back at the phone bills and went accordingly. So for the \$4,000 I looked back in our previous year and that is just what –

County Executive Borrello: Did you upgrade to the (*inaudible*)....

Mrs. Westphal: We did. We did get new phones.

*(County Executive Borrello could not be heard clearly enough to transcribe)*

Legislator Niebel: I just have one question for Mr. Bentley. Brad, no new busses for 2019. Your equipment budget is zero, so no new busses for next year?

Mr. Bentley: I mean, it's a yes and a no. Physically the answer is no but the real answer is that we budget 6 new busses each year so it becomes a timing issue with the grant that we receive. It's a two year grant and so by the time we get the money, you order the busses so we're expecting six busses in early 2019.

Mrs. Westphal: The grants we haven't actually received yet was for 2017 and we have 12 busses that we were expected.

Legislator Niebel: Why doesn't that show up under the equipment budget then?

Mrs. Westphal: The busses go under capital.

Chairman Hemmer: That's right, it's a capital. *(cross talk)*...

Mr. Bentley: Yeah, physically the busses won't be here until early 19'.

Mrs. Westphal: Hopefully.

Mr. Bentley: Hopefully. It's more of a grant timing issue. We can't place the order until we're sure we got the grant.

Legislator Niebel: But that is accounted for under your capital project?

Mr. Bentley: The intent is to replace 6 busses on average each year.

Legislator Niebel: Do you have a contract with the Office for the Aging?

Mrs. Westphal: We have a memorandum of understanding with them, yes.

Legislator Niebel: Where does that show up? Does that show up under departmental income or shared services for the income that you get from the Office for the Aging?

Mrs. Westphal: What we do for them, they normally provide us with a Senior Aid so it's kind of like a wash. I don't think that we have ever put it in the budget.

Legislator Niebel: It doesn't show up as income anywhere? It's kind of like a shared service?

Mrs. Westphal: It's not actually income because they give us the Senior aid that works on our busses so it's an in-kind kind of thing that we do with them.

Legislator Niebel: So if you transport senior citizens, it's just regular income to you guys?

Mrs. Westphal: We have an OFA rate that OFA pays for but instead of them giving us money for it, they give us the Senior Aid who works on our bus. He's a bus escorted or he does maintenance in our shop or whatever.

Mr. Bentley: So there is no real money transferring. It's in-kind.

Mrs. Westphal: And if it goes above and beyond which this year it actually did but it was after we did the budget because we don't have a Senior Aid right now, then they do pay us \$14.00 a trip and that goes under the departmental income.

Mr. Bentley: For 19', our expectation is an offset.

Legislator Niebel: Just so you guys no, years ago when I worked in the Finance Department, I actually helped write the grant for the CARTS program with George Warenburg(?), the first director of CARTS. Do you ever run across his name at all?

Mrs. Westphal: I have not, no.

Legislator Niebel: It was a long time ago.

Mr. Bentley: Anything else with the CARTS budget?

Chairman Hemmer: I think that is it.

Mr. Bentley: Thank you Michelle.

Legislator Nazzaro: You didn't think it was going to be this much fun, did you?

Mr. Bentley: I've been a part of a number of these in other businesses. O.k., onto airports.

**Airports:**

Mr. Bentley: So I don't have a wrong spiel like I did at CARTS for the airports, the high level, actually the two airports, Jamestown and Dunkirk, as you are aware, there still is no airline. We're working hard to – I know what the answer is on that.

Chairman Hemmer: Is that the EAS routes have been awarded and no route was awarded to us so no, we don't have anything?

County Executive Borrello: No, it's not decided yet. We have to just answer yes or no.

Chairman Hemmer: Oh, I thought that was – oh, is that not until the end of October?

Mr. Almeter: Mr. Chairman, I spoke with the FAA last week or I'm sorry, the Department of Transportation, EAS Program Officer and they have awarded some of the routes that were expiring on the 30<sup>th</sup> of September but they have not awarded all of them. They have awarded, I think there were five that were expiring, routes that went to Pittsburgh and three of those five have been awarded to them and our proposal has not been evaluated yet. I spoke with Allison from Congressman Reed's office last week, she was at the legislative session and their office had checked with the Department of Transportation as recently as last Monday and they were still reviewing our proposal. We're still in the running.

Mr. Bentley: So I thought that I might lead off with that and might as well open the room. With that, we still have an airport to run. I mean there is still uses out there. We still have Cummings using it, we still have other smaller air crafts that use it so we still have to maintain it and these are the costs associated with it. So we do have a number of changes in the personnel. Some of these are allocations between the Jamestown and Dunkirk airport. Some are related to transition (*inaudible*), so without getting into too much (*inaudible*) between the Jamestown and Dunkirk. Jamestown went down a little bit, Dunkirk went up a little bit, again that is some of the allocations within and for the Dunkirk airport, we did have a change in the FBO which basically means that we're now liable for the maintenance expense up there and the CREDC is taking over the revenue side so we would get revenue from CREDC. So this is our best guess at that at this point, as far as what the revenues might be. So that was a challenging number to come up with. It is our best guess at this moment. Just lay that out there. So it's kind of just moving along and we just have to take care of business. Any questions?

Legislator Nazzaro: So really then, going forward, depending on what happens with the central air service and all of that, any adjustments, I would hope, be on the positive side, you

would think. Of course, it's just maintaining the status quo right now, like you said. Keeping the airports open, we need to maintain them. Nothing has expanded. I mean, it's just –

Mr. Almeter: I'll take a stab at this. On the revenue side, the reintroduction of a central air service would generate modest revenue increase to the County and Jamestown for the lease fee we charge the airline for the counter space and baggage handling. So, frankly the biggest rental increase or the biggest revenue increase comes from the TSA contract. They pay better than the airline. In the interest of full disclosure, when we wrote this joint proposal with the (*inaudible*) Air and submitted it to the Central Air Service program office, we took a challenge to work with the airline to hold their costs down and one of the things that hurt Southern Airways was they were spending a lot of money. About 10% of their ticket price, was in the Jamestown overhead costs, rent cost of doing business in Jamestown. So we felt that we needed to bring that down a little bit. So, we'll see revenue increase, we'll still be on the side of TSA. On the cost side of the equation, it will depend on the schedule. One of the things that hurts Southern is that they did not have a very good flight schedule to Pittsburgh. (*Inaudible*) closed a much more robust schedule which means longer hours and in the winter that translates to more time on snow plowing. So, I think I'm (*inaudible*) if we get the airline and if they fly the schedule that they proposed, the net cost to the airport will be, initially, slight increase.

Mr. Bentley: I will give praise to Ron, he's really worked hard at what he is doing up there with limited staff and budget. Ron could be out there one day fueling planes, the next day, - he really takes on a lot of rolls for the airports and I just want to thank him for his efforts in front of you guys because I don't know if everybody gets a chance to see what he's doing. He's negotiating hangar space leases, it's a wide variety of jobs at any one point.

Legislator Nazzaro: Now at Dunkirk, have we seen then a decrease in the (*inaudible*)...

Mr. Almeter: A big decrease in revenue, a big increase in costs. You will recall that when we put together the budget for 18' and brought it to the Legislature, we did not know that the incumbent, Dunkirk Aviation, was folding their tent and unilaterally vacating the contract. I became aware of that I think the first of October and they terminated the lease, vacated the lease on the first of November. So we went into the budget thinking that we were going to see our usual revenue. And we had pretty well established maintenance routine over there that did not include utilities and building maintenance. So when they vacated the lease we took on the FBO operation in which CREDC stepped up and is managing that. The County took over maintenance responsibility for all of those buildings as well as the fuel pump. That was huge because there was decades of deferred maintenance on those buildings. It's a big budget bust this year so we're trying to anticipate that next year. As you also know, we went out and (*inaudible*) trying to solicit a private enterprise to come in and operate the FBO. Our initial efforts didn't bare any fruit. We had some interested parties but we couldn't get anybody to give us a proposal. We are

still working on that. I hope to have a viable candidate in to look at the airport this week in fact. This budget is premised on status quo which is the CREDC operation at the airport. That is what we have to go with because that is what we have.

Mr. Bentley: Best expectations.

Mr. Almeter: We had an initial fall off in business. There were based aircraft that moved to Dunkirk Aviation to Jamestown. We had some aircraft leave. I think that we have hit bottom on that and that's on the upswing. In fact, a tenant wants to come in this week and lease a hangar for a \$1,000, and bring a crop duster business to the County. We've transition a person out of hangar 8 into hangar 6, we've all the T-hangars are full, so from a based aircraft standpoint and a facility occupancy standpoint, we're 80% and on the upswing.

Chairman Hemmer: Speaking of the FBO leaving, is that situation, whatever it was, completed resolved as of now or is there some –

Mr. Almeter: There are still some legal proceedings underway through the County Attorney's office to try and recover some of the costs the County incurred as a result of the FBO unilateral vacation of the contract. I think the tax situation is resolved but the the maintenance costs are hanging out there and are in negotiations.

Chairman Hemmer: Any questions concerning the airports?

Legislator Chagnon: Training, registration, tuition costs jumped quite a bit.

Mr. Almeter: The single biggest factor there is the aviation refueling responsibilities and the technical training requirement under the FAA regulations. We are operating the refueling farm in Dunkirk and as such we have responsibility for formal training requirements both for the supervisor as well as the refueling technicians. So I have a couple of offsite training courses programmed for two people. The other factor there is the (?) requirement. We have one vacant position. Currently we had a aviation maintenance mechanic in Dunkirk who was R(?) -certified. Took a supervisory position with the highway department. That position is still empty. We hope to fill it this fall and that individual will have to go through a week long (?) training course which is very expensive. In addition, in our annual FAA Part 139 inspection in June, the inspector recommended that all of our airport maintenance mechanics be R(?) -certified as well as the supervisor so that we have some depth there to cover our requirements under our current Part 139 certification. In the past we had not put the supervisor through that training so we're budgeting for that as well.

Legislator Chagnon: I appreciate that detailed answer but what confuses me is that the Dunkirk airport (*inaudible*) is going up \$750 and the Jamestown Airport is going up \$8,000. It sounds like what you just described was Dunkirk Airport.

Mr. Almeter: I think that is the way that we assigned it. The supervisor is actually, his time is matrixed between Dunkirk and Jamestown so perhaps we should have matrixed the cost of the training as well. The training that the supervisor needs is, the (?) training for Jamestown specifically and the refueling supervisor is for Dunkirk specifically. I imagine that we have to budget it all under Jamestown.

Mr. Bentley: With the (?) training, it's now \$4,000 per person. That was budgeted for two people.

Mr. Almeter: We argued with the inspector over this frankly. I think that we can avoid some of that cost if we don't get the airline. If we get the airline back we can't avoid it.

Legislator Chagnon: That's fair, thank you.

### **Parks:**

Mr. Bentley: We have two parks and I can probably tell you the number of trail miles along the waterways and overland trails but we do take care of the two parks. Just from my personal experience and from what people tell me they are two beautiful parks. The overlook and Bart does a great job taking care of it, again with a limited staff, we get done with what we have. I think they do an excellent job with it. If you will notice, there is a decrease in the personal services and this is due to some of Bart's time being charged to a capital project. We're anticipating that charge in 2019. So it's not that we're paying him less we're just allocating that to a capital project for 2019.

Chairman Hemmer: Rebuilding the bridges and -

Mr. Bentley: Rebuilding the bridges and we're taking a look at what we can do just from all the infrastructures. I believe the bathrooms up there, the lean-to's, we trying to take a look and see what we can do.

Mr. Almeter: We still have a plan project on books to replace the bathroom or substantially reconstruct the bathroom at Luensman. One of the initiatives that we have under way is, we're negotiation with Cockaign Resorts and Bethany Camp to reroute about four miles of the East Side Overland Trail (*inaudible*) expense associated with basically getting the trail off

the highway right-of-way and across private land. There will be some capital costs associated with that.

Mr. Bentley: The other thing that you see in the budget decrease in vehicle purchase allocation. Again, this is just an allocation for what the Park uses.

Mr. ?: We were depreciating two vehicles and now we're just depreciating one starting in 2019.

Legislator Gould: I thought the vehicles were under the capital budgets?

Mr. ?: The Parks depreciation is under the operating budget.

Mr. Bentley: The depreciation comes across as an expense.

Legislator Gould: This is for vehicle or a tractor?

Mr. ?: For a vehicle. We were depreciating two pick-up trucks this past year.

Legislator Nazzaro: Do you still have both of them?

Mr. ?: Yes.

Legislator Nazzaro: This one is fully depreciated.

Legislator Gould: Yeah, I thought they are supposed to be under capital.

Legislator Nazzaro: No, the depreciation Jay, has always gone – it's when you buy the vehicle is the capital.

Mr. Bentley: When you go out and buy a \$30,000 truck, that is a capital purchase but once the asset is on the books, it's a depreciable asset because it gets used, so for tax benefits you can depreciate it but from the budget standpoint, it comes across on the expense page because you are lowering your asset value. So, you need that offsetting entry.

Mrs. Dennison: There are occasionally some purchases like for tractors or batwing mowers that are part of the capital process.

Legislator Gould: That is why I asked that.

Mrs. Dennison: But most of the general vehicles, trucks, cars, would be part of the vehicle allocation so that is reviewed as part of the capital budget process but the expense is treated as a four year operating. Expenses are allocated over four years. For the vehicle portion but as you know, there are a couple of other projects that are for larger pieces of equipment that are treated as capital projects.

Legislator Gould: We should see this under every department then that has a truck or a car.

Mrs. Dennison: Not necessarily. There are exceptions to that rule. There are some departments like Mental Hygiene for example, gets funding for its vehicles and so those vehicle expenses are completely expensed in one year and they have revenue associated with them. So they do not need to expense their vehicles over four years. Most departments that are buying cars, pick-up trucks, they request them in the year they want to purchase them and then the expense is part of the operating budget for four years.

Mr. Bentley: We are expecting an increase in the occupancy tax funding for the revenue side. Again, that is just our expectation at this point. Any questions on the Parks?

Legislator Chagnon: You budgeted a \$1,000 for electricity in 2018 which previously you hadn't been there –

Mr. Almeter: We have an electric bill- we had anticipated bringing power up to Luensman. We had gotten a permit to do so to light the pavilion and put in permanent power to the outhouse. We haven't progressed that work to the point where we have that service in place yet. Put it back in the budget when we get electricity up there.

Mr. Bentley: There is another one on here, forestry.

### **Forestry:**

Mr. Bentley: Forestry we do have forest that we manage so where we can harvest the timber, we try and harvest it, it's like a revenue. I know that Ron, it's part of his duties, besides fueling airplanes, trying to figure out how to harvest our timber and get paid for it. We meet with Forecon about a week ago because we had put out a bid to do some timber harvest around the airport and we did not receive any bids. I was a little bit surprised and one of the things that we found out was, a lot of these guys when they do their bids, they have a little hard time fronting the money and waiting for us to catch up to it because it could be a couple of months between the bid and the awarding and them being able to get out there so we're working on ways to shorten our process to make it a little more attractive. So that is why you see the decrease in the revenue

side, as were a little unsure at this point exactly how much we're going to get next year and we do want to be a little bit conservative just in case.

Mr. Almeter: There are a couple of things in play on the revenue side as Brad mentioned. The number of factors influencing the timber market right now, hardwood prices are strong according to our consultants but the tariff's trade war is raising havoc with over half of the hardwoods harvested in the United States go to China. So this tariff debate (*inaudible*) has thrown that into a higher level of uncertainty. The way these timber contracts work is the successful bidder has to pay for the timber up front, carry that cost until he's able to sell the harvested saw timber. Normally they try and turn that around pretty quickly so they are not bearing the cost of the money and the volatility in the market but, when they do business with a County, it typically takes 2 to 3 months from the time we accept their bid to they actually put them on contract. So we need to tighten up that elapse time so that it takes some of the uncertainty and risk out of their bids. We're working with the County Attorney's office to do that. The other part of it is, it's just the uncertainty in the market place. These timber harvesting companies have been bidding a lot work, they have a good back log, they don't want to carry a lot of inventory right now because they don't know how it's going to sell with the uncertainty (*inaudible*). The other factor that comes into play in forecasting revenue for the forest budget and the Forestry budget is the maturity of our timber stands and whether or not we have a crop that is ready to harvest. In working with our consultants for the last couple of years, we've had some good timber harvest in the last 3 years (*inaudible*). Two parcels that were harvested and one is being harvested right now and another one was harvested earlier this year, that netted, between the two projects, I'm going to get this number wrong, but we had two give harvest that should have netted some revenue for the capital fund. I don't know that we're going to have a mature stand next year. Forecon wants to get out and field survey before they commit to recommending a harvest next year.

Mr. Bentley: Alright, I'm going to dive head first into the pool. I'm not sure if there is water here or not. So, as we approach how the revenue that comes in from the timber harvest, if it's, as I understand it, there is a resolution to use that as capital to fund projects.

Chairman Hemmer: Yes.

Mr. Bentley: But on the expense side we have property taxes. I think the question has been brought up whether you can use that revenue to pay for the property taxes, should you use that revenue to pay for the property taxes and I think it's something that I just want to mention here. I don't know if you will have the answers or not but, especially in light of knowing will you have those revenues as recurring, is it truly there or not. So, I will go through the abstractor the possibilities, if you will. In my mind, if there is recurring revenue from an asset and you are only allowed to use it within there, well then the expenses should be paid out of that because it's

a self-contained kind of entity. You are restricting where the revenue is, why should the County take out an extra project just to make that sale. So, that is one version of it. The other version of it is, let's say that you don't have enough revenue, then where is that money going to come from. It has to come from outside so now - there are two kind of possibilities here. I am not sure which one is the right one to portray here but I don't think that we should intermingle the two. You pick one and go in my mind. You say, you restrict the capital and pay it out of there and then if you don't have enough, I guess the fall back is the County but, if you un-restrict it, then yeah, the County should pay it correctly. So, I dove head first in the pool, I don't know if I am going to solve the answer here but I will lay that out. Does anybody have any comments on that?

Legislator Chagnon: Personally I like your approach. I have to look at this historically and historically what I am told is that the proceeds from the timber harvest in the past have not always been dedicated to the Parks. So if you are telling us now that all the timber harvest proceeds will be dedicated to the Parks, except for this that you are using for the property taxes, I'm in support of it. But, that has a qualifier in there that timber harvest proceeds have to be dedicated to the Parks.

Legislator Wilfong: Don't the timber sales also maintain the waterways?

Chairman Hemmer: No, it's dedicated to capital projects, Parks. That is what the resolution was what, a couple of years ago? Oh, this year, alright.

Legislator Chagnon: Prior to that –

Chairman Hemmer: It had been very hazy and sometimes the money from the timber sales make it to the Parks. They disappeared into the general fund.

*(Cross talk)*

Mr. Bentley: As long as we adhere to the resolution that – assuming that I understand it correctly, you basically put a fence around the revenues and that if that is the case, I would hope that we would also pay the expenses out of that.

Legislator Chagnon: I agree with that.

Mrs. Dennison: The revenues that have been realized in 2018 are all recorded as revenue to the capital projects for Parks.

Mr. Bentley: I know that there is some confusion maybe on whether or not you could pay the property taxes out of that.

Mrs. Dennison: This budget assumes that we can.

Mr. Bentley: Yes, but I want full disclosure here. I will dive into the pool.

Chairman Hemmer: So the property taxes are also going to be paid out of capital projects?

Mr. Bentley: Assuming there is enough revenue to cover it otherwise –

Mr. Almeter: There is money in that account right now.

Mr. Bentley: Right, but on a continuing basis, this would be the theme moving forward as well.

Chairman Hemmer: The trouble with that is, timber sales don't happen every year. It's 20 years between timber sales but those property taxes are going to come every year and when you have a capital project to do, your money may be eaten up by the property taxes. That doesn't sound too good to me. It's a struggle to get money for Parks to begin with.

Legislator Gould: You mean, all timber lands or just the ones that are cut? We have a lot of forest land.

Mr. Almeter: The reforestation properties which are covered by the reforestation plan or the forest management plan, include, I think there is 11 reforestation properties plus the Parks which have harvestable timber on them. Those are all part of the County reforestation plan or forest management plan and it's –

Legislator Gould: We have property taxes on them all.

Mr. Almeter: Do we pay property tax on the Parks?

*(cross talk)*

Mr. Almeter: But all the other reforestation parcels we do.

Chairman Hemmer: So the Parks don't actually have property taxes associated with them?

Mr. Zafuto: Under forest, we have a couple of gas well also on these properties.

Legislator Nazzaro: Those are the ones you pay.

Chairman Hemmer: O.k., you are looking to pay the taxes on the forest properties, not on the Parks and trails.

Legislator Nazzaro: The Parks are owned by the County.

Mr. Bentley: Right, this is only the forest.

Mr. Almeter: Reforestation parcels and I believe there is a 11 of them. Again, they are all captured in this –

Legislator Gould: (*Cross talk*) be substantial though.

Mr. Zafuto: It's about \$10 to \$20,000 a year and gas well royalties are anywhere from \$4,000 to \$20,000 depending upon their –

Chairman Hemmer: And the gas well royalties are dedicated to paying those taxes.

Mr. Zafuto: That is the revenue in forestry right now, so yes. Since I've been with the DPF, one year there was \$20,000 in gas well royalties and the next year it was \$4,000. This year there is, I think, \$3,000 right now.

Mr. Bentley: And the timber harvest is sporadic (*inaudible*)....

Chairman Hemmer: Right, so it wouldn't take too long to wipe that fund out. It would certainly be wiped out in the 20 years between harvest.

Mr. Almeter: We would have to take a look at the historic revenue streams to see what they look like. Between the two, between the timber harvest and the gas well royalties, that is the combined revenue stream which we would pay property taxes with. The reason I brought it up was, I feel like I'm getting pushed into a comingling of the methodologies and I'd rather have it be one or the other for a consistency standpoint because even if we fence in the revenues, there is not enough there, that doesn't mean we can't bring forth a resolution for a capital project to do improvements at the Park. There is nothing that prohibits us in doing that so if there is something that is need there, if it's for the public good, public service, I'd bring it forward. Here, if you have income that's being fenced, you kind of want the expenses to be fenced. Otherwise if you go, I'm just going to capture this and make someone else pay for it. For me, I'd have a harder time explaining it.

Legislator Nazzaro: It's not an enterprise account so I mean, that would fit – in my opinion Brad, an enterprise fund. If this body says we're to use those proceeds for just the way I think it should be, for capital projects for Parks, I don't see – I mean, I would agree with you if it was an enterprise fund but, this is all under the purview of the (*inaudible*)...

Mr. Almeter: Another way to look at it, I suppose, historically look at the gas revenue royalties and you're depleting nature resource of the land and using that money to pay for the cost of ownership, the taxes. Why would you treat timber any differently? You are depleting a natural resource, although in this case it's a renewal natural resource but it's on those same parcels of land. So why wouldn't you treat it the same way?

Chairman Hemmer: In my opinion, the object there when we did that resolution it was to try and make sure that there was –

Legislator Nazzaro: Adequate funding.

Chairman Hemmer: For the Parks in the future because you know, certainly, they receive a whole lot less funding than say the airports and the airports are almost totally worthless to the people of Chautauqua County whereas Parks they provide (*cross talk*).. I would say that I want to dedicate that money to the capital improvements and if we have to have money for taxes, it comes out of the general fund.

Legislator Wilfong: We can make that recommendation at the end of this.

Legislator Nazzaro: At the end of the day whatever – we appreciate you bringing – I understand where you are going but again, broken record, it's not an enterprise so we can do whatever we want with that money. But, I think dedicating it to capital projects for the Parks, in my opinion, is the right thing to do.

Mr. Bentley: I only raise the issue because I put it out in your hands.

Legislator Chagnon: Mr. Chairman, is your committee recommending a budget amendment?

Chairman Hemmer: I would say not at this time.

Legislator Chagnon: If you change the policy, we have to change the budget.

Chairman Hemmer: Then maybe I don't understand the policy that's in place now, I guess.

Legislator Chagnon: If you are staying with the existing policy then we have to change the budget because the budget assumed that we were changing the policy.

Chairman Hemmer: So the budget has assumed that you are going to take out of the capital project money and pay taxes.

*(Cross talk)*

Chairman Hemmer: So I guess then, yes. I would say that I am recommending that we change the budget. That's my feeling. Whether it goes through or not, but that's – what does the rest of my committee feel about this?

Legislator Wilfong: I understand *(inaudible)* and I would rather do that. Any revenue goes to the Parks.

County Executive Borrello: Mr. Chairman, if I could. We're very limited to what we can actually use the capital projects money for. I was kind of surprised when we talked about using that to pay the property taxes. I think, if we want to achieve more money to go to things within the Parks, we're better off using that limited scope out of the capital projects to cover the property taxes and in turn take the money to use it on projects that may not be considered necessarily capital projects, it would be like maintenance of things that are going in the Parks and use the money for that. One of the challenges we have often is that there is debris in the waterways. That is not a capital project, to remove that debris. So if we limit ourselves to capital projects, then we're not able to use that money for things like that. I would rather see us stick with the way we changed it in the budget so that we can free up that money to better maintain the Parks, versus having to focus it strictly on a something we would consider a capital project which is long term. That is why we changed it, as I recall going through the budget process. So, that is my recommendation. If I have something wrong, I'm trying to recall the discussion which was a couple of months ago now. But that was the idea.

Mr. Bentley: So you are saying, leave it the same?

County Executive Borrello: I'm saying, leave it the same. I think the purpose is, we want to have as much money available to – you want to see the Parks be better maintained. If we limited ourselves to capital project money, there are things that we would like to do to maintain the Parks that would fall under a capital project. Like I say, like taking debris out of the waterways and things like that or making repairs to something that would be considered a capital project.

Mr. Almeter: This came up through the Parks Commission earlier this year and we went to the County Attorney's office and got a read on what could be considered a capital project. If we take some of these repairs, bridges in particular came forward, and package those into a repair by replacement project, put it out for bid, hire a contractor to come in and do that, that repair by replacement would be a capital investment.

Chairman Hemmer: Yes. So that is who we – use our intent was to yes, use the money for what would normally I guess be called a maintenance project. Our intent was to bundle a lot of maintenance into one capital project in order to get that.

Mr. Almeter: And if you (*inaudible*) in its totality, it then has the effect of bringing up our limited staff. Spend more time cleaning up the waterways, for example.

Legislator Nazzaro: Mr. Chairman, I'm o.k., the way the County Executive explained it in that keeping the money within here and not just then allocating, dedicating it to capital projects. That doesn't mean that if there is a project that comes forth that we can't go forward with it. It's just now the money is going to stay within here.

County Executive Borrello: I think we all have the same intent. We want to see this money go to (*cross talk*)...

Legislator Nazzaro: Now that I have heard the full circle –

County Executive Borrello: I want to make sure that we're doing it properly also because as Ron explained it, we do a repair by replacement program and contract that out, it would free up our employees to do other things. So I just want to make sure we're doing it properly and we're maximizing that money for that purpose. I just don't want to – because the capital money is so restrictive as to how it could be used, I'd be cautious not to restrict ourselves.

Chairman Hemmer: How can we send it to property taxes. That's not a capital expenditure so we're going to have to definitely change that resolution if we go with the way you are talking, right?

County Executive Borrello: Didn't we clear that up with them, that we couldn't use it for property taxes?

Mrs. Dennison: We did not get a final determination from the County Law Department. Our preliminary indication is that they can but it has not been (*cross talk*)...

Chairman Hemmer: Your property taxes is a capital project, each year? If you are going to go with that, if the budget is going to go through the way it is, that resolution is definitely going to have to be rewritten, changed in some way.

Mrs. Dennison: The concept was that the timber sales need to be used for the betterment of Parks and then this would still be an expenditure for the betterment of Parks but we would have to change the resolution that would allow the spending of the timber sales on property taxes.

County Executive Borrello: That kind of goes back to my point. Spending money on property taxes is really isn't the betterment of the Parks either. We thought that there was a legal argument to make that we could pay the taxes from the capital projects which is why we budgeted that way. Am I saying that correctly?

Mrs. Dennison: I don't believe so. We can't actually pay the property taxes from the capital projects so yeah, I guess we would be transfer money from the capital project into the operating fund and then pay the taxes. We cannot pay the taxes directly out of that.

County Executive Borrello: But we could transfer it for that purpose.

Mrs. Dennison: If the resolution is modified.

County Executive Borrello: So again, it's such a limited scope as to what we can use the capital project money for. We are allowed to do this legally, that helps redirect more money to the actually betterment of the Parks versus having to pay property taxes that way. Even though it's coming out of that fund, it is technically being paid from the operating account. That is where the revenue is coming from. Again, we want to make sure that we're doing this above-board but this seemed to pass mustard earlier when we were working on this. This seemed to pass legal mustard earlier when we did this.

Chairman Hemmer: So, I still think that the resolution would have to be changed. It would have to be specifically changed to say that any money from timber sales is –

County Executive Borrello: Dedicated to the –

Chairman Hemmer: In part to property taxes and whatever is left over can go into the –

Legislator Nazzaro: I guess where I am confused is why then, why do they have to just be property tax? What am I missing here? I understand what we originally did for capital, now we're saying we want to use it for property taxes, for taxes, not on the Parks but on the

reforesting and all of that. Are you saying that the money from the forest sale, from the timber sale should go back into the Parks budget and then used for whatever within that? Does it have to specifically be for taxes?

County Executive Borrello: No, I think it's for maintenance. In general, we're saying we want it to go back for maintenance enough to pay for the Parks.

Legislator Nazzaro: You are just saying here for this discussion it's going for tax. I'm trying to understand. I'm a little confused.

County Executive Borrello: To make sure we're going about this properly, we want to take money out of the capital budget, transfer it to the operating budget to cover taxes and then use the timber sales to cover operation and maintenance of the Parks. Did I summarize that correctly?

Mr. ?: Timber and gas well royalties.

Chairman Hemmer: So no longer any money would go into the capital projects for the Parks?

County Executive Borrello: It would go out of the capital projects to cover the taxes and then the money that we receive for timber sales would go for maintenance and improvements in Parks.

Mrs. Dennison: Only for capital improvements.

County Executive Borrello: Capital improvements, o.k.

Chairman Hemmer: In my mind, when we did the resolution, that was the object to try and corral that money because there was the feeling that the money from the timber sales in the past have not – have kind of been lost in the sauce so this was a way to possibly try and ensure money for Parks. I suppose in the past the money from the timber sales has gone towards the property taxes because it just went into the general fund before. So it probably did get eaten up in the past in property taxes. I guess, in my opinion, that is why we put it in capital projects to try and ensure that it went for capital projects for the Parks, improvement for the Parks.

Legislator Nazzaro: This committee can make a recommendation.

Chairman Hemmer: As far as I am concerned, I want to keep that money for capital projects for the Parks. I don't want to send it to property taxes.

Legislator Wilfong: I am going to leave it that I would rather just leave it here.

Chairman Hemmer: O.k., you are going to send it to property taxes?

Legislator Wilfong: Yes.

Legislator Nazzaro: You are going to what?

Legislator Gould: I want to know how much the property taxes are.

Mrs. Dennison: Seventeen thousand dollars.

Legislator Gould: Thank you, per year. When we leveraged it from the timber.

Chairman Hemmer: Right. It will take no time at all.

Legislator Gould: And the gas wells. Because they are going downhill so in other words, there won't be any money left for any capital projects. Timber sales or gas wells.

*(cross talk)*

Mr. Almeter: We don't have all the numbers on that. We need to do a little research on that but I think that is pretty darn – that's the trend.

Legislator Wilfong: I think the intent was for capital.

Legislator Nazzaro: Do you want to make a motion to that point?

Legislator Wilfong: Yes, I will make a motion to that. I would make a motion that we have the funds going into the capital –

Mrs. Dennison: The motion I believe would be to remove the revenue –

Chairman Hemmer: Which is now scheduled to go into property taxes out of –

Mrs. Dennison: To remove the revenue in A.8720.R364.2000 sale of forest products. Remove the revenue of \$11,000 from the tentative budget.

Legislator Wilfong: Whatever Kathleen said.

Mrs. Dennison: With the intention (*cross talk*).. There would be no withdraw of revenue from the capital projects H.7110.2500, Parks Capital.

Legislator Nazzaro: And I will second it. The reason I'm doing that is because the reason we originally we did that was to have a funding source for capital projects in the Parks and I would like to maintain that funding source from the timber sales.

Mr. Bentley: Can you make a second part of that, that you are o.k. with paying the property taxes out of that?

Legislator Nazzaro: We'll do that later.

Mrs. Dennison: And that will be the resulting –

Mr. Bentley: You guys are o.k. with that outcome?

Legislator Wilfong: Yes.

Legislator Nazzaro: We're taking it to the County Executive.

(*cross talk*)

Mrs. Dennison: So the local share for Forestry Department, A.8730 would increase by \$11,000.

Mr. Bentley: And you are o.k. with that?

Legislator Chagnon: That's fine.

Legislator Nazzaro: We understand.

Mr. Bentley: If you rob Peter, you have to pay Paul.

Chairman Hemmer: All in favor of the motion to maintain that the timber sales go into the capital project account for the –

Mr. Bentley: Timber and gas. Gas sales right?

Chairman Hemmer: No, the gas sales never did go in, just the timber go in, the gas sales, well, they are going to pay part of the property taxes. All in favor?

*Unanimously Carried*

Chairman Hemmer: Then that is what we're going to ask you to do, to amend the budget.

Legislator Nazzaro: Now to your point Brad, we have to find a way to offset it.

Chairman Hemmer: Right, somewhere we have to find \$11,000.

Mr. Bentley: I bring up all sides of the equation, that's all. Like I say, I'm not afraid to dive into the pool.

*(Cross talk).....*

Chairman Hemmer: Let's get it out of the airports. It's sounds like it's always been. We've never tried to capture that one. I would like to take a 3 minute break.*(11:02 a.m.)*

*(Committee reconvened at 11:15 a.m.)*

**Public Facilities:**

**Highway Fund- D:**

Chairman Hemmer: Let's keep moving.

Mr. Bentley: This will be moving on to administration. This is the staff in the Falconer building- as I talked about this morning- the reduction of the account clerk. It was .4 and there are some other changes that I- essentially, I lost my administrative assistant and I'm fine with that. We do have a reduction in budgeted communication supplies, similar to what we were seeing in the parks with regards to the telephone and some other miscellaneous equipment. We still show \$100 in map income, but I think we only received \$4 so far this year.

Mr. Zafuto: We are up to \$28.

Mr. Bentley: We charge \$1 a map.

Chairman Hemmer: No other revenue for administration?

Mr. Bentley: No. Any questions about the administration? If not, I'll move onto the maintenance of roads. Personnel services are roughly in line with last year. Our contractual- we are showing- decrease in other-contractors/stockpile. About \$20,000 of that is the stockpile and

the other \$67,000 is the other contractors. There is a savings on the employee benefits side, workers comp, and payroll allocations to other capital-

Chairman Hemmer: That was-

Mr. Bentley: That was just our current expectations.

Mr. Zafuto: This did have the same change that we saw earlier (*inaudible*) allocations are done. With it now being a negative instead of just reducing salary.

Mr. Bentley: On the revenue side, as Kathleen mentioned this morning, the union presence is going 100% to HR. The revenue was previously received in this budget item. We no longer recognize that as revenue due to that change.

Mr. Hemmer: You're not budgeting- I see New York State aid was budgeted in 2017 as \$475,000 and we don't budget anything for 2019?

Mr. Bentley: There is a couple different funds that those came from-

Mr. Zafuto: That \$475,000 was from the floods back in 2015 and that is a claim that we put in and we should receive payment shortly. It was booked in 2017-

Mr. Bentley: So, it was for a flood event back in 2015 and it was a onetime event. We asked for funding and apparently the revenue was actually booked in 2017, although it wasn't-

Mr. Zafuto: It was budgeted for 2018-

Mr. Bentley: We are actually going to cover that line item there. It is under snow removal. We are only two pages away.

Chairman Hemmer: But that's not a- New York State aid is not reoccurring revenue? Is maintenance of roads?

Mr. Bentley: Well, there is New York State aid, but this was a specific flood event that we received compensation for damage that we had- we actually had to identify the damage to send to the State.

Chairman Hemmer: OK.

Mr. Bentley: Any other questions on maintenance of roads?

Legislator Chagnon: I have one question. The (*inaudible*) of the \$57,500 with other contractors- what is that attributable to?

Mr. Bentley: Just the trend over the past several years. That is basically the millings of the roads that is subcontracted out to other companies.

Legislator Chagnon: Less milling, or less expensive milling?

Mr. Bentley: It has been less expensive. We try to put together an idea of what our trends are. They could go up or down from there.

Chairman Hemmer: Right.

Mr. Bentley: If there are no questions I will move to the capital improvements. I believe the extra \$850,000 here is for the designation for towns or villages to do bike paths- I believe that is the line item.

Chairman Hemmer: Bike Paths?

Mr. Bentley: Yes. Complete roads?

Mrs. Dennison: Complete-

Mr. Bentley: Complete Streets.

Mrs. Dennison: Yes.

Mr. Bentley: It is basically to make our roads a little bit safer and enhance the viability of the downtown area- sidewalks, bike paths, right of ways- instead of just having people walking in the streets. If you look at downtown Bemus, you get a lot of people walking on the streets and stuff like that. I don't think we have a specific project targeted for that, but-

Mrs. Dennison: That's correct. It is just for that general program.

Chairman Hemmer: You just generally expect that there will be areas in the County where we are going to- Complete Streets is supposed to be- it goes along with projects where you rebuild sections of highways, right?

Legislator Wilfong: That is how I understand it to be.

Chairman Hemmer: It doesn't just pop up. It is always in conjunction with another project.

Mr. Bentley: Correct.

Legislator Wilfong: Is there State funding available for this? I see that we are putting out \$850,000. Is there any other way- if I remember right, when they first came here, the resolution said that we had the right to do that and we would do it if we thought it was viable- that was a few years ago, no- dropping \$850,000 is a lot. Do you remember that?

Chairman Hemmer: Yes. Is there money coming from somewhere else?

Legislator Wilfong: We agreed to the resolution but I don't think there was any money that was discussed at that time.

Mrs. Dennison: In the past, the department has always requested \$7 million in funding for this item and we have not fully funded it. We are proposing to fully fund that request this year.

Legislator Nazzaro: The \$850,000 is for the complete- the whole amount?

Mrs. Dennison: Yes. The County Executive wanted to completely fund the \$7 million request with the intention that the increase from last year would be for the Complete Streets initiative.

Legislator Wilfong: That's a lot of money.

Mr. Bentley: It's for safety too. Especially in the downtown areas where- have you been to Bemus during the summer? You don't want the bicyclists on the sidewalks taking out people that are walking and it is very narrow.

Chairman Hemmer: Right.

Mr. Bentley: Whatever we can do to- whether it be Bemus, Mayville or wherever we are doing work-

Legislator Nazzaro: Let me ask this question. So, the \$850,000- I just came back from overseas and they are huge with their bike lanes, especially in Spain. I'm not against the safety issue, my only question is- because we always talk about the need for capital projects and how we spend the money- the County Executive is proposing to fund the entire \$7 million and in the past we have not. Does the prioritization of these projects-

Mrs. Dennison: The prioritization was taken into account. When we get to the capital budgeting discussion, these items are part of that discussion. The D fund is kind of a hybrid. It has-

Legislator Nazzaro: Is it in here?

Mrs. Dennison: It is, yes. It is also- I should point out that the \$850,000 is intended to be funded from the capital reserve- the increase in expenditures from budget to budget.

Legislator Nazzaro: I guess where I am going with that- if there is something of a higher safety factor or need in the County, I don't want to necessarily lock in- that is a lot of money.

Mr. Bentley: Yes, it is a lot of money.

Legislator Wilfong: When they approached us here, they came to this table and they said that this would be a great idea and we would have the opportunity to participate if we wanted to.

We were under no obligation to do anything, and now all of a sudden I see that we are dropping quite a bit of money into that. Now, if it is a safety issue, I understand that.

Mrs. Dennison: The overall project for the roads and bridges- there is a variety of funding sources for it. There is a local share component that is built into the D fund that is \$312,000 that is just in the general operating category that Mr. Bentley is presenting. That is a portion of it, the capital reserve funds a portion of it, the D fund balance goes into that \$7 million as well as State funding and dedicated revenues from (*inaudible.*) There is a lot of components in that project-revenue components. I'm just looking at the prioritization. The Planning Board ranked the overall request- the \$7 million request- gave it a rank of three out of thirty-eight projects.

Legislator Nazzaro: So, just to dive down in- I see the \$7 million. Where does it say in here that \$850,000 is going to be used for Complete Streets?

Mrs. Dennison: That would be in- (*Cross talk*) So the question is where does it say the \$850,000 is coming from?

Legislator Nazzaro: Where does it say in the Capital Projects budget? I have the capital plan here and I see the \$7 million, but where in here does it say that of that \$7 million that \$850,000 is going to be used for Complete Streets?

Mrs. Dennison: It does not say in there. In your budget binder, in the tentative budget section in the front there is a tab for the capital budget and there is an exhibit in there that details the funding source for all of the-

Legislator Nazzaro: I think we need to talk about this.

Chairman Hemmer: Yes. I think you are absolutely right.

Mrs. Dennison: In the front, your first tab is operating budget and the next one is capital budget-

Legislator Nazzaro: Yes.

Mrs. Dennison: The first exhibit there is the summary of the existing capital projects and if you page back to exhibit E, which is about-

Legislator Nazzaro: OK. I am in the E's.

Mrs. Dennison: Then it is on exhibit E. About two thirds of the way down you will see roads and bridges.

Chairman Hemmer: Yeah.

Mrs. Dennison: And that is the summary of the different funding sources.

Legislator Nazzaro: Again, it doesn't specifically say- if I'm missing it, that's fine. I am not against the project; it is just kind of a sticker shock I guess.

Chairman Hemmer: Yeah, because it is not- in the past it has not been a priority. Complete Streets is not that old of a program. It has been out for several years but I don't remember us dedicating that much money to bike paths in the past.

Mr. Bentley: It is basically how the traffic flows. It isn't just bikes. It's walkability as well as the safety issues for vehicles. It goes into the complete analysis- it will be used more than making a bike path on the roadway.

Chairman Hemmer: It is actually-

County Executive Borrello: It sounds like I walked in at the right time. We have actually been working with- we are trying to put together a more inclusive group throughout all of our County departments to address Complete Streets. It's more than just bike paths. It's about things like traffic calming. All these things that are happening in communities all over- to try and make- we had this period of time- we design a road now to make sure we have bike paths included. We started talking about creating better and more healthy environments. If you look at Route 394 for example, I drive down there by the lake and you have got people just walking along the shoulder pushing strollers. If we want to enhance the tourism aspect of Chautauqua Lake in Mayville and people want to walk from the Institution down to where the Park is, they are basically walking along a highway with no proper markings for bike and walking. This would be allowing us to include funds in there to do more things like that to help us create a better environment. It is about becoming part of the plan as well. We have a Complete Streets policy County wide, but we have never really done a lot to implement that. So, its this versus creating a whole new path somewhere else where we are going to have to go into someone property, get all sorts of easements and right of ways to pave the path like we did with the Lucy Trail. Now, we are talking about the next time we modify the road, we modify the road to accommodate that. It is really a more efficient way of getting more pedestrian friendly accessibility without having to create a whole new project. I think this is a prudent use of the money that also allows us to do what a lot of other communities are doing, which is to do some traffic calming and making sure that we have a roadway that is accessible for all kinds of transportation and not just cars.

Chairman Hemmer: You talked about 394, but that is obviously a State road and we are not going to do anything with that.

County Executive Borrello: I was just using that as an example.

Chairman Hemmer: OK, I just got worried there.

County Executive Borrello: That was just an example to talk about- if you look at where we are right now and where we want to be, we need to start doing things like that. The State is

doing it elsewhere. I'm hoping that we are going in that direction. We have been talking about the master plan that they have at Chautauqua Institution, for example, where they would like to get involved with doing something like that with the State on Route 394 to try and create traffic calming and multi transportation combination.

Chairman Hemmer: Maybe some of it could go into the Chautauqua to Barcelona Trail? There is already a part of it there in Mayville. What do you think?

County Executive Borrello: There are already all sorts of projects like that. Like I'm saying, we have a separate infrastructure for that as well, but it could certainly be part of the Complete Streets program, I believe. I'm not 100% sure on that. We wanted to kind of reinvigorate this a little bit. It has been stagnant for a while. Where they have had the most activity with Complete Streets is in the individual municipalities. They are individually developing their own Complete Street type programs and we have had ours and really haven't done a lot to implement those ideas.

Legislator Wilfong: In your example, like in 394, we wouldn't be using that money to repave that road. If we were working on that road, this money would be used for the extra amount of asphalt to make that complete?

County Executive Borrello: A lot of it is markings. Sam might be a little better at explaining it, but the Complete Streets program is about taking a road that has normally just been dedicated for highway or car traffic and making sure that we're having those demarkations for bicycles, pedestrians, making sure that we have crosswalks in certain areas and things like that which will make it more pedestrian friendly and make it easier for people to utilize that versus creating a whole new infrastructure for a path.

Mr. Bentley: In Georges example, assuming that the pavement is wide enough to accommodate vehicular traffic and you didn't have to do any additional, it could just be the striping for the bike lines or the crosswalks. There could be some additional- if you needed an additional two feet then maybe that would go towards the incremental infrastructure to accommodate that.

County Executive Borrello: There is also grant funding out there that's available. This would allocate some money to help match the local match and things like that. If we had some of this money allocated- it is not just about directly to the project, but also using it for local match to get a bigger grant to allow us to do- because it is expensive to pave and stripe a mile of highway. Its an expensive prospect. We will be able to use this to help leverage larger dollar amounts as well.

Chairman Hemmer: So, you don't really have a specific project?

County Executive Borrello: No.

Chairman Hemmer: Or a number of specific projects?

County Executive Borrello: This is just to put some money into the Complete Streets program altogether because we really had no funding behind it before.

Chairman Hemmer: So, is that going to be a budget line in the future?

County Executive Borrello: Well, it would basically- we have got this Complete Streets- we already have the (*inaudible*) that Lisa Fredrick who has been in charge of the program for a while- a few months ago we started talking about- and Dan's not here, but he has been heading up and putting together people from different departments throughout the County to work on this, so we can actually develop a better action plan to execute these things. This will allow us to have funding to start executing some of those plans. I can't give you a specific example, but once we have these meetings we will have a better idea of the specific projects that we are going to identify and specific potential outside funding sources that we could identify that we can leverage. We can't do those things without funding to do it.

Legislator Wilfong: If we approve the budget and this money is available, will the Legislature be involved with how the money is spent? Will it come back to us? Will it be like a municipality will apply for \$30,000 or \$40,000 and that is how it will work?

County Executive Borrello: Well, this would be- we would be using this on County roads.

Legislator Wilfong: OK.

County Executive: So, this would be- as those projects come up, I image there will be grants that will have to come before the Legislature that will require you to accept the grants. There is going to be modifications that will be made. I can't give a specific yes or no to every single thing, but I am assuming that we are not going to have enough money- even with this amount of money, it will likely have to be to leverage a grant which will come before the Legislature for review and approval.

Legislator Wilfong: OK.

Chairman Hemmer: It is not- you may spend more and you may spend less.

County Executive Borrello: Right. It's just trying to kick start this whole idea of getting the Complete Streets plan in place in our County- an action plan versus just having a plan on a shelf collecting dust. We want to have an actual action plan to start executing some projects.

Legislator Nazzaro: A lot of this will be used for matching dollars?

Chairman Executive Borrello: Right.

Mr. Bentley: Any other questions? The next topic is snow removal. So, I'll start with my commentary on the snow removal because the salt is in here. My intention is to fill the barns with salt. This goes into the 2018 projections and you will see this as part of the resolution coming in October to actually get enough money to fill the barns with salt. Part of the whole salt purchase strategy is to make sure that our barns are full, but having to walk into a case where we did change from an asset purchase to an expense model we had to make sure from a cash flow perspective that I have enough money to pay for the stuff up front even though it is being used incrementally. Part of it is a timing issue and not that I'm increasing the amount of salt that we buy. It's just the timing in conjunction with the changeover to the expense model. I think the budget remained the same on the salt. It was 1.5- part of the 1.6. Obviously that is all weather dependent. If we have a bad winter- when I say bad it doesn't necessarily mean total amount of snow fall. Twelve inches of snow actually requires less salt than if we get six days with two inches of snow because if we just get the two inches its hard to plow and you are just out there spreading the salt. If you get the twelve, you are plowing the top ten and salting the last two. So, in some ways a heavier snowfall all at once requires less salt than if we had a continuous snow. We are subject to the weather at this point in regards to how much salt we use. I think we have done a good job of getting equipment on our trucks to spread it so that we are not dumping piles in the intersections. We do actually have a really good track record of how much we are spreading per mile. We have actually gotten more sophisticated about how we spread our salt. Back in the day, I can remember when you got to the corner and all of a sudden there was a pile of salt because the truck stopped there and the spreader just kept on going. If that happens now, it means we have a piece of broken machinery.

Chairman Hemmer: Yep.

Mr. Bentley: If you do see something like that let me know because it means that something needs to be fixed. Anything else about the salt?

Mr. Zafuto: I think you pretty much covered it.

Mr. Bentley: Any questions about the purchase strategy?

Chairman Hemmer: Does the salt price fluctuate?

Mr. Bentley: Oh, yes it does. I was at the Town and Highway Superintendents meeting for Chautauqua County and I think the early indication is that it was going up. I forgot the dollar amount, but the indication was that salt prices were going up.

Chairman Hemmer: So, we need to buy before that happens.

Mr. Bentley: That's another strategy. Really, if you wait to buy- let's say you fill the barns up half way and you hope that the weather is nice and it turns out bad, and now you have waited until December and not only has the price gone up, but you may not be able to get it.

Legislator Nazzaro: When do you actually- you made the comment about filling the barn- when we are budgeting for 2019 \$1.5 million that will be purchased when?

Chairman Hemmer: In 2019.

Legislator Nazzaro: When in 2019?

Mr. Bentley: Winter obviously transverses a fiscal year.

Legislator Nazzaro: Right.

Mr. Bentley: So, right now I am buying for 2018-

Legislator Nazzaro: 2018?

Mr. Bentley: Here is the thing, I have- currently, I have \$490,000 left in my salt budget for 2018. If I were to buy \$490,000 worth of salt, it would only get my barns half full. So again, there was a change over from asset to expense. So, whether or not I was fully funded or not, I don't know how to answer that question. I just know that physically that if I want to fill the barns, I have to come and ask for another \$500,000. That's what my guys are telling me that it will take, from a tonnage perspective, to fill the barns.

Chairman Hemmer: That resolution will come in October?

Mr. Bentley: Correct. We are still in line with that same methodology. Now, let's play out the winter. If I have a really nice winter and I don't use a lot of salt, I may only have to make a small incremental purchase at the end of the year. I would rather not pre-judge it, if you will. Let's say we get a bad winter. I don't want to be in a situation where I have to wait until January 1<sup>st</sup> to fill the barns if I know I'm getting way down there throughout the year. In an early winter through the end of the year- I asked one of my guys how much we would typically use in a winter and it was in the neighborhood of \$700,000. I could fill the barns and get it almost empty but then I'm waiting for the next \$1.5 million in January to buy my next- it's a whole timing issue.

Chairman Hemmer: Right.

Mr. Bentley: It is going to be a little tricky. I admit that. It is something that we are just going to have to manage. What I would try to do is give you guys as much time advanced notice that I can. When I see something, I am going to say something and we will have to deal with the accounting/financial side as it comes up, but at least you know what my strategy is and my methodology. In theory, if you have a nice winter maybe we will end the year with a lot of salt and won't use a lot of the budget and the \$1.5 million for next year might go further or I could be in a situation where I am having the same discussion with you. I'm kind of at the mercy of the weather.

Chairman Hemmer: I was looking at the interfund transfers. We are increasing the interfund transfers about \$1 million? What caused that? What is that \$999,714 going for in the interfund transfers?

Mrs. Dennison: The interfund transfers essentially balance the D fund to (*inaudible*) used from D fund balance. So, in this case the expenditures of the D fund have gone up. A lot of that is because of the additional funding for those capital projects. If you look at this year versus last year, we have another \$850,000 of capital projects that is in the D fund and the D fund gets- it sends some of its expenses to the operating fund. At the end of the day, what we are saying is that we are only going to use \$500,000 out of the D fund balance. What the interfund transfer does is get to that goal. If we have more expenses in the D fund, it has revenue. So first we are going to use D fund balance and the rest of that we will transfer over to the operating budget.

Legislator Nazzaro: So in other words, you're paying for these capital projects- like you just said, you don't have enough in the D fund so we have to fund it through here? If it went the other way, because we have increased-

Chairman Hemmer: OK-

Legislator Nazzaro: The expenditures by \$850,000. So basically, this is what we are paying.

Mr. Bentley: This is just where we put- (*Cross talk.*)

Chairman Hemmer: Why is it in the snow removal?

Mr. Bentley: This is where you have to pay Paul because you robbed Peter.

Mrs. Dennison: It is actually in a sub department of snow removal. It's probably based on- there is a uniform chart of accounts that we get from New York State. The actual department number is 5142.9950 transfer to capital. So, we really should have a separate page just for the interfund transfer department. That would make it a little more understandable. We are just trying to save a page. Interfund transfers has its own separate department, why its sub-department is snow removal; I have no idea.

Mr. Bentley: I asked that same question by the way.

Mrs. Dennison: (*Cross talk*) would be a sub-department of D5010 which is a (*cross talk.*)

Mr. Hemmer: That would make more sense.

Mrs. Dennison: It doesn't make much sense in snow removal.

Mr. Bentley: I'm sure at one point there was a reason for it, I just don't know what it was.

Mr. Hemmer: OK.

Mrs. Dennison: Actually, I misspoke. The department is just D9950 transfer to capital. I'm sorry. It is not a sub-department of snow removal. It just happens to be included on the snow removal page on this summary.

Mr. Bentley: Maybe someone was trying to save a page. The other things on the snow removal page- increase in the earnings in D fund balance. I'm assuming that is because our interest rate went up.

Chairman Hemmer: That's good.

Mr. Bentley: We are making a little bit more money there. We do anticipate a little bit more money sold to municipalities and that is probably due to the price increasing.

Mr. Zafuto: We sell to a lot of municipalities.

Mr. Bentley: We do allow them to take some of our salt. I told you I would get back to this- if you look at the Federal Aid, the 385 in the budget, this is actually the money that-

Mr. Zafuto: It's the 475 that is under D5010 in 2017.

Legislator Nazzaro: Is there a reason that one is called New York and one is called Federal?

Mr. Zafuto: It was never Federal, it always should have been New York State Aid.

Chairman Hemmer: So this says federal, but it should have been up on the next line and-

Mr. Zafuto: It is under D5010 where it should have been in 20147-

Chairman Hemmer: And it ended up being only 385 instead of the 475-

Mr. Zafuto: No, we ended up doing the claim for \$475,035. That's what we should be receiving payment for shortly.

Mr. Bentley: Right.

Legislator Nazzaro: You are going to get that in 2018?

Mr. Zafuto: It was booked in December 2017, but the actual payment should be received shortly.

Chairman Hemmer: And the payment is only going to be 385?

Mr. Zafuto: No, it will be 475.

Mr. Bentley: It just so happened that what was booked in the budget for revenues was 385. Somebody may have thought we weren't going to get the full amount-

Mr. Zafuto: That was the known amount last September.

Legislator Nazzaro: It takes a long time to get paid.

Mr. Bentley: Some of these disaster recovery things- and you have to submit all of the documentation.

Mr. Zafuto: This will be part of the resolution-

Mr. Bentley: Basically, that is the explanation behind why it is a one time-

Chairman Hemmer: Never to be repeated.

Mr. Bentley: Until the next flood. Then it is up to the State whether we can claim expenses for those damages. If we don't have any storms, that's the preferred way to go. Any questions on that particular item? I think that takes care of the D fund. Now we are moving on to the DM fund.

Chairman Hemmer: OK.

### **Machinery Fund- DM:**

Mr. Bentley: Road machinery. So, I think we covered the increase in fuel price. This is again the 2019 and you will be seeing it in October with the request for the 2018 increase for what we anticipate for the end of the year which I think is about \$162,000. We are projecting \$302,000 increase over (*inaudible*) based on the fuel prices that I gave you previously. Personal services is up a little bit-

Mr. Zafuto: That is the addition of the store keeper into the DM fund.

Mr. Bentley: There is a slight allocation on the- there are some additions. We did move part of an FTE over to the road machinery for the store keepers. Equipment is down \$29,000-

Legislator Gould: Why is that down?

Mr. Bentley: I'm going to guess that we bought something in 2018 that was a onetime purchase.

Mr. Abram: It's the .2's- I just asked the shops what equipment they foresee needing to be replaced or something that we don't have- diagnostic equipment, for example. They did- most everything for this year fell in the .2 category for their needs and there wasn't anything that hit that threshold for .3.

Mr. Bentley: I would rather do it that way because generally what happens is if you tell somebody that they can spend X, they spend X. If you ask them what they need, they put some science behind it and you actually get to another number. In employee benefits you will see

allocations back and forth- health insurance nets out there- on the revenue side, the fuel prices increased, our revenues increased because we do make sales to the schools, the Sheriff's department as well as CARTS. We do allow fuel purchases by other outside entities, but we do get- again, same with the salt, it's cost plus our expenses to make sure we are covered and maintaining those facilities for those customers. Same with the miscellaneous jail prices. Our sale of property- again, that is probably just our anticipated surplus sales. Any questions on the road machinery?

Chairman Hemmer: It doesn't look like any.

Mr. Bentley: Alright. Going into stockpile- here is my spiel on stockpiles. At any one moment the stockpile is a number. We use rocks, gravel, and dirt and it is going to vary over the years. If you pick a point in time it could be X. If you pick a different point in time it could be Y and to say that there is right number of stockpile at any one point in time- I don't know that there is a right answer. I don't know if there is a wrong answer, it's just debatable.

Chairman Hemmer: It probably changes every day.

Mr. Bentley: To say what number should be an appropriate level of stockpile- you could put a number in here, but to match it to what is in reality because of the constant ins and outs- the way we work it is if we have a nice day, we have the crews out on the road. If it's raining and we cant pave, a better use of our employees is to have them go get the material for the next job. If we have a couple rainy days in a row our stockpile is going to go up. If we have a bunch of sunny days we will take it back down again. It is just making sure that we have the stuff on hand and that we are most efficiently using our resources to get that accomplished. With that, the numbers are the numbers.

Mrs. Dennison: I just wanted to clarify what I said before in interfund transfers because it applies to the DM fund too. I had it a little backwards. The concept is the same, except the D and DM funds mean subsidies from the A funds. Those numbers that you are looking at are actually revenue into the D and the DM fund.

Chairman Hemmer: Coming all from the A fund?

Mrs. Dennison: Yes.

Legislator Nazzaro: So, here you are taking 385 less?

Mrs. Dennison: Correct. So the DM fund is receiving 385 less. The D fund is getting almost \$1 million more of a subsidy.

Legislator Nazzaro: So, are you comfortable, since you are the budget director, in the amount he is putting in there for this transfer- the \$2 million?

Mrs. Dennison: The transfer under the stockpile?

Legislator Nazzaro: The stockpile in the DM fund is kind of a quirky thing. In this case, the transfer is actually a sub-department of stockpile. It's not really part of the stockpile, it's its own thing, it just happens to be in that sub-department. That transfer is just the amount of money that is needed from the A fund to make the DM fund self-sustaining and use the appropriate amount of the DM fund balance. In this case we are proposing to use approximately \$745,000 from the DM fund. You get some money from the A fund and you get some money from its own fund.

Legislator Nazzaro: So, that is a yes?

Mrs. Dennison: Yes. My answer is yes.

Legislator Nazzaro: OK, I just wanted to make sure.

Chairman Hemmer: OK.

Mr. Bentley: Going on to debt service on the last page. This is the last year of our debt service for this- for the salt sheds.

Chairman Hemmer: The one in Falconer?

Mr. Bentley: Yes. We have one last payment for this year and then next year this should go away.

Chairman Hemmer: We don't owe any more money?

Mr. Bentley: Well, for DPF. Any other questions on the DM fund?

Legislator Gould: I have a lot of questions on other supplies. I want to know what they are. I always wonder what "other" is.

Chairman Hemmer: So you are going back to the DM fund?

Legislator Gould: DM 4190. Try that.

Mr. Zafuto: That is traditionally non-depreciable equipment. Its basically non-depreciable equipment that wouldn't be in the .2's or .3's.

Chairman Hemmer: Like wrenches?

Mr. Zafuto: Yes. Things like saws. Under a thousand dollars.

Legislator Gould: That's a lot of wrenches.

Mr. Zafuto: This would be more like a weed wacker that you get for \$400-\$500.

Mr. Bentley: We do have 170 employees in the DPF. We do have to actually get the equipment to keep our workers safe.

Chairman Hemmer: So they are included in some of the personal supplies like the safety supplies?

Mr. Zafuto: A lot of that would go under operating expenses.

Chairman Hemmer: This is just machinery?

Mr. Zafuto: This is more like saws-

Mr. Abram: Anything under \$1,000. Chainsaws, weedwackers, parts that support that equipment-

Chairman Hemmer: Maintenance of that equipment?

Mr. Abram: That would be another account.

Chairman Hemmer: This is just for buying the chainsaw.

Mr. Abram. Yeah.

Mr. Bentley: It is something that wouldn't traditionally depreciate.

Mr. Zafuto: Correct. It's \$999 and under.

Chairman Hemmer: We are jumping that up from the- oh no, it is the same as the 2018 adopted.

Mr. Zafuto: That is through June.

Mrs. Dennison: The 2018 actuals are only six months.

Chairman Hemmer: Oh, OK.

Mr. Bentley: If you wanted to double it, it would be closer. It would be around the \$17,000 mark.

Chairman Hemmer: Any other questions? OK, let's move onto the landfill.

**Landfill:**

Chairman Hemmer: OK, so we are under Environment now.

Mr. Bentley: If you go to the FDE column which is page 2, you will see a very small increase and this is due to- you see the FDE column we had a change of .76, we added an

accounting supervisor, .6 of a storekeeper because part of the storekeeper goes to the landfill, .1 for a correction officer because Pantelis does some-

Mr. Panteli: we use some prisoners to do some of the work on the cars. In the previous years this wasn't included in this category. Now it is added up to the full time employees-

Mr. Bentley: We tried to do it a little more scientifically. With that, I guess I can turn it over to Pantelis on the overall budget as far as the expenses and the revenues.

Mr. Panteli: So basically, we are doing better than what we projected for 2018 as far as revenue and the expenses that are dependent on the revenue. We spend per ton. If the tonnage goes up on the revenue side, the expenses go up on the expense side. That is where the major difference is at. We have nothing to complain about this year or the projected 2019 year unless something doesn't look right to you.

Chairman Hemmer: Your customers are all going to stay the same? You're budgeting that the same amount of trash will come in?

Mr. Panteli: We are budgeting based on what the picture is this year and it looks like it is going to stay like that unless something drastic happens. There is always a possibility.

Mr. Bentley: The notes on the revenue side- a major customer from Erie returned and that was part of the increase in the tonnage.

Mr. Panteli: Yes. That customer left the previous year but we had more discussions on why he left and what we could do to accommodate him- actually he set up a transfer station so that he can reduce his transportation costs even though the oil prices are up, he can use his trucks and haul waste from Erie, PA to our facility. That works for him and it works for us, too. If he is going to stay, who knows.

Mr. Hemmer: And that is trash that wanted?

Mr. Panteli: Yes. It's good for producing gas.

Mr. Hemmer: OK. Any questions?

Legislator Chagnon: What is the note on the bottom of the (*inaudible*) page that says amended 2018 includes capital expenses? What does that mean?

Mrs. Dennison: That means that there is an amended expense for work on a gas well and we have now decided that it should be a capital expense rather than an operating expense.

Mr. Panteli: It used to be a capital, we made it an operating and now its back to a capital because that is where it belongs. It is just an accounting adjustment.

Mrs. Dennison: That is why the amended budget and the projected budget is higher, but in 2019 that expense will go away and go back to being a capital expense.

Mr. Panteli: That is why we are going to have money going to the general fund because of the 2017 profit.

Chairman Hemmer: Where is that? What page?

Mr. Panteli: 9901.

Chairman Hemmer: Oh, OK. Alright, 24% of the 2017 operating income- and the rest of it?

Mr. Panteli: I get to keep. (*Cross laughter*) 24% is the out of county waste percentage that came in 2017. The corresponding percentage goes to the general fund for the-

Legislator Nazzaro: It should go up now that we got that Erie customer back?

Mr. Panteli: It will go up. It will go up to maybe 35%-40%.

Chairman Hemmer: Wow.

Legislator Nazzaro: The out of county percentage will go up that much because of that Erie customer?

Mr. Bentley: As long as he continues to use us.

Legislator Chagnon: So, to be clear on these, the increase in the out of county waste- is that showing up in municipal charges under shared services? Those have increased by 150%.

Mr. Panteli: The shared services is the out of county waste, yes.

Legislator Chagnon: OK. Pantelis, you might want to explain why the revenues for beneficial use and industrial refuse and asbestos has increased.

Mr. Panteli: Well, all of the revenue goes for derelict structures, so the revenue is down. The tonnage is there, but we (*inaudible*) away. Also, there is no guarantee that we are going to have that. It depends on the construction and the demolitions. There is no steady stream for that material.

Legislator Chagnon: OK, that is the asbestos?

Mr. Panteli: Yes.

Legislator Chagnon: How about the industrial revenues? It is down 30%.

Mr. Panteli: Without looking at the actual numbers- Monofrax had a slowdown and the industrial waste was down because of that.

Legislator Chagnon: Alright.

Mr. Panteli: Overall, it is a small portion of the waste we get. Which page are you on?

Mrs. Dennison: It's in the line item detail, 1015.

Chairman Hemmer: Where are we looking?

Ms. Hansen: Under tab 24- Environment.

Mrs. Dennison: Tab 24, page 1 of 15.

Chairman Hemmer: Oh, under energy.

Ms. Hansen: Under environment.

Mr. Panteli: What decreased? Our projections?

Mrs. Dennison: No, the budget.

Legislator Chagnon: Industrial refuse.

Mr. Panteli: The 2019 budget? Right?

Legislator Chagnon: The 2019 budget-

Mr. Panteli: It didn't decrease that much. To the middle of the year was 123 for 2018. It's a conservative number based on what we have seen the first six months of- that was because Monofrax was slowing down, but now we heard they got some new contracts from China and Germany. So, the industrial-

Legislator Chagnon: You should beat that number?

Mr. Panteli: Yes. We should be alright.

Legislator Chagnon: How about two lines up from that- beneficial use? It is down 90%?

Mr. Panteli: Beneficial use is soil- contaminated soil. That has been down too. It was a lot higher the previous year, but it is down. There is no guarantee we are going to get that- we don't count our chickens before they hatch.

Legislator Chagnon: Pantelis, if I could just continue on, if that is OK with the chairman?

Chairman Hemmer: Yes, that is very good.

Legislator Chagnon: On the next page, half way down- recyclables-

Mr. Panteli: Yes?

Legislator Chagnon: Your revenue from recycling is projected to double?

Mr. Panteli: Yes. This is charges. There is an increase because the City of Jamestown brings us their recycling and we charge them to haul it to the markets if (*inaudible.*) So, there is a revenue for all of the (*inaudible.*)

Legislator Chagnon: Right.

Mr. Panteli: But, that increases and the expenditure too.

Legislator Chagnon: Are you increasing the cost you are charging them?

Mr. Panteli: No. They weren't using us. They are a new customer.

Legislator Chagnon: OK.

Chairman Hemmer: Oh. Alright.

Mr. Panteli: For the recycling.

Legislator Chagnon: OK.

Mr. Panteli: We are just helping them get rid of their recycling, at a cost.

Legislator Chagnon: Sure. Something that I noticed is that the overtime is increasing pretty substantially. Is that because the increase in volume?

Mr. Panteli: The increased volume and a lot of work that needs to be done on Saturdays because we don't have time during the week. We spend all our energy processing the waste because the volume is up. We need to work on Saturdays and after the landfill closes to catch up with the gas collection, with the (*inaudible,*) the closing-

Legislator Chagnon: OK. Thank you.

Legislator Gould: I would like to continue along. I understand what overtime is, but I don't understand what "premium pay" is and I don't understand what "other pay" is.

Mr. Zafuto: That is shift pay.

Legislator Gould: OK.

Mr. Zafuto: And premium is per the union contract. You get paid a different rate based on-

Mr. Panteli: If you are filling in for a higher position, you get paid for it.

Legislator Gould: Right.

Mr. Zafuto: And then all the MEO's at the landfill get an extra \$1.25-

*(Cross talk)*

Mr. Bentley: That is all based on the contracts.

Chairman Hemmer: Did we talk about charges OCC municipal EL8160-100?

Legislator Nazzaro: Why is it up so much?

Legislator Chagnon: That's the out of county garbage.

Chairman Hemmer: And that is all due to the returning Erie customer?

Mr. Panteli: That is revenue. I don't think we should be complaining about that.

Chairman Hemmer: That's true.

Legislator Nazzaro: Are those long term contracts?

Mr. Panteli: We don't have a contract.

Legislator Nazzaro: So you need to keep them happy.

Mr. Bentley: We have our rates and if it makes sense for them to ship it to us, they will do it.

Mr. Panteli: Some other major customers once in a while request for a special rate because of volume, but we refuse.

Chairman Hemmer: Alright, are there other further questions?

Legislator Gould: I see the legal services have gone up quite a bit for next year. Why?

Mr. Panteli: Anticipation.

Legislator Gould: Anticipation of what?

Mr. Panteli: Well, they have been up already this year-

Legislator Gould: Were they?

Mr. Panteli: Yes, for various issues that we had to consult outside consultants. Maybe there will be some next year, too.

Legislator Gould: In other words, you would rather not say? That's fine.

Chairman Hemmer: Does it have anything to do with the Ellery situation?

Mr. Panteli: Well, no. This year had to do with the landfill in Frewsburg.

Chairman Hemmer: Oh.

Mr. Panteli: I don't think it is over yet.

Chairman Hemmer: Oh.

Mr. Bentley: Various legal services and anticipated- we try to use our best guess on what is coming down the road, but who knows what that ends up being.

Chairman Hemmer: Thank you. Are there any further questions?

Legislator Nazzaro: We still have the energy fund we need to do.

Chairman Hemmer: Oh, that's right.

### **Energy Fund:**

Ms. Crow: I can certainly speak to the figures that are presented in the budget that I put in, but I will refer to the experts over here on the plant itself. I'm just going to direct you to the past September 1<sup>st</sup> –the energy tab- under tab 24. Overall, you will see here that there is a projected loss of \$778,000. So, we are going to be utilizing fund balance in two capacities. One is based on the contract that is currently being negotiated to convert the plant- at signing, we expect to receive the first \$1 million which would be attributable to operations in 2020. They are going to pay it at the time of signing, which we hope is before the end of the year. Therefore, that million dollars will be added to the EE fund balance. Additionally, we have a little over \$2 million left in fund balance- that is the existing fund balance, which we will use to cover the operating loss in 2019 because we are still going to be operating the plant as is until we can turn on the new operation. Based on current trends, we projected about a \$28,000 loss from operations in 2019 and we will use \$28,000 of the existing fund balance to cover that. Then we are proposing to use \$750,000 of the million in 2019. So, \$750,000 will come over to the general fund as a revenue from the energy plant. We didn't think it was wise to use the whole million in 2019. That will give us a little- in the five year projections- in 2020 we are using that additional \$250,000 plus any other revenues that we get from operations. So that will kind of be more of a smooth transition to get us up and running rather than use the whole million up front and then not have any in 2020. That is the big picture. The individual sub-departments are tracking to be about what they are this year and the revenues are doing a little bit better than 2017- while that is down from the current year's budget, we would still operate at a loss, but not as much of a loss.

Mr. Panteli: The revenue is doing better.

Ms. Crow: Yeah.

Mr. Panteli: Not because the prices are getting better; because the production is increasing. That is where we are working right now to add more and more gas collection. That will help generate more power and that is going to help increase the revenues. I think this is conservative and we are going to do better than the projection.

County Executive Borrello: Going forward as we look at this conversion, we will be getting away from the fluctuating market prices. With the plan that we have negotiated with the company it will take that variable out of the mix. That will be good and we will have real, true revenue to count on.

Mr. Panteli: There are going to be some variables, but this is-

County Executive Borrello: The variable is the icing on the cake.

Chairman Hemmer: Now, we are putting in extra gas collection at this time? I thought that the new company was going to do all that?

Mr. Panteli: That's two years down the line. We need to get the gas now or else we will have other issues too. The gas is there and we need to collect it.

Chairman Hemmer: OK.

County Executive Borrello: Correct me if I'm wrong, but the infrastructure that they are going to build is to clean the gas before it goes into the pipeline.

Chairman Hemmer: So they are just going to use ours? They are not going to do anymore gas collection?

Mr. Panteli: No. In the agreement we made, and it is going to save us some money, they will take over the gas collection too. In other words, any capital expense and any operational expense, balancing, tuning the gas collection- they will take over.

Chairman Hemmer: But that is not for a couple of years?

Mr. Panteli: Yeah. It is in their best interest to maximize the gas production and increase the revenue. It's not just the prices of the gas; it's the quantity of the gas that is important. The more gas we collect, the more we sell and the higher the revenue.

Mr. Bentley: They are incentivized to maximize the collection system and operate it. If that means enhancing it, they can enhance it because they will look at the payback and think that they got some pretty attractive returns on it. We are all incentivized to do the right thing here.

Legislator Nazzaro: This is a twenty year arrangement?

County Executive Borrello: Yeah. It takes the cost of the O&M of that infrastructure offered to us.

Legislator Nazzaro: It is going to give you a fixed component that you will be able to count on and budget for and you are not going to have that unknown- you won't be at the mercy of-

Mr. Bentley: There will still be a variable-

County Executive Borrello: But it is a variable based on how much gas we produce and not on the market price of the gas. We are removing a pretty significant variable.

Mr. Bentley: What I find is that once you put it in the books, it is counted and then you still have the variable part of it and you can concentrate on that.

Legislator Nazzaro: Right.

Mr. Bentley: What you get is like when someone hands you twenty bucks- it's great but where is my next twenty bucks?

Chairman Hemmer: Any other questions on the energy fund? Thank you. Let's break for lunch. We are adjourned until 1:15.

### **Capital Projects:**

Mrs. Dennison: As we discussed earlier, the capital budget you will find all the information in the tentative budget section. The top section, second tab- capital budget.

Chairman Hemmer: Yes.

Mrs. Dennison: The section starts with- just for your background information, it starts with a list of the capital projects that have already been approved and their balances as of October 31<sup>st</sup>. The third column there would be the appropriation modified budget after any transfers in and out, what has been (*inaudible*) so far, and then the balance remaining in those projects. What we are proposing for the 2019 budget would be a couple pages back, starting on the page labeled Exhibit E. Exhibit E shows all of the projects that we are proposing for funding in 2019 for additional funding and those appropriations are based on the County rankings provided by the capital project- I'm sorry, by the Planning Board. At the meeting of the Planning Board and several other Legislatures we went through all of the projects in priority order and determined which ones we thought should be funded and how much they should be funded. Exhibit E summarizes those intentions. You'll see it is summarized by operating department and then the following exhibits show the individual projects that are to be funded. Exhibit E will also show you the funding source for each of the projects. Our first source of funding is always interest earnings on the County investments and there is \$616,000 in interest earnings that are used to fund capital projects. There is a local share component. Under the first section where it-

the last line says “vehicles- \$147,000” - that is the vehicle purchase allocation. So, that is one quarter of the amount expected to be expended on vehicles in 2019. One quarter of that expense is included in the operating budgets for the departments that propose to purchase vehicles. There is also a local share component from the roads and bridges. Those funds are contributing to the roads and bridges budget. The third column, reserve for capital- we are proposing to fund capital projects \$3.5 million for the ones that are not roads and bridges. It is \$3.5 million funded from the capital reserve and then an additional \$850,000 from the capital reserve for the Complete Streets program. You can see the other sources of funding. Some are from the D fund balance, some from timber sales, there is State funding and Federal funding, and the final column will be user fees that can be used to fund the individual projects.

Legislator Nazzaro: What are the user fees from roads and bridges?

Mrs. Dennison: DNV fees.

Legislator Nazzaro: Oh, right.

Mrs. Dennison: If you would like to, we can walk through the individual- starting with the Exhibit E1 that details all of the individual projects.

Legislator Chagnon: Kathleen, could you explain why the bridges receive more funding than what was requested?

Mrs. Dennison: That is a good question. I was just talking with Brad Bentley about that. Honestly, we need to do a little more research on that with personnel in his department because I do not have a complete answer to that.

Mr. Bentley: I’m not sure either. It still adds up to the same number between the roads and the bridges, I’m just not sure why it shifted.

Legislator Chagnon: We don’t mind it shifting down, but when it shifts up it’s a concern.

Mr. Bentley: In software programs they call those features-

Ms. Crow: In the past we have used a distribution between the total funding between the roads and bridges and perhaps that same calculation was applied where the intent for this portion was just to be off the (*audible*) - compared with like the Macharelli funds that we distribute based on a ratio.

Mr. Bentley: At the end of the day, it’s our best guess. It could just be that we looked at the past history and adjusted it accordingly. We will have to get- I don’t know the answer to this question. I will work to get you the answer to this.

Legislator Wilfong: May I ask about the critical maintenance at JCC?

Chairman Hemmer: Yeah. That was a big topic.

Mrs. Dennison: Critical maintenance for JCC- we asked JCC to provide a list of the specific projects to be undertaken, which we did receive. The decision was essentially to fund about- to consider for funding about half of those projects. The County contributes 25% of the project expenditures so Mr. Martello, the Director of Administration for JCC, was forthcoming enough to say OK, I have got \$127 million worth of projects, but just over \$1 million of the ones that were seen as the most important to be done in the 12 months of 2019. He took the \$1.7 million and converted that to a list of projects for just over \$1 million. (*Cross-talk*)

Legislator Wilfong: Thank you.

Legislator Nazzaro: So the County is at 25%, JCC is at 25%, and the State is at 50% funding?

Mrs. Dennison: Yes.

Chairman Hemmer: Doesn't Cattaraugus County kick in money too?

Legislator Nazzaro: No, it's 25% from the College, 25% from the County and 50% from the State.

Legislator Chagnon: John, these are just Jamestown Campus projects.

Chairman Hemmer: Oh, OK.

Legislator Gould: There is a C section under park. I never realized that the Lucy Trail was a park now. I thought that was a trail.

Mrs. Dennison: Well it is under the Parks Department.

Legislator Nazzaro: It is a trail through a park.

Mrs. Dennison: That particular project is requested and administered by the Parks Department.

Legislator Gould: It's alongside the road, isn't it?

Chairman Hemmer: Is that the road to Celeron?

Legislator Gould: Jones and Gifford. It's alongside their road, so why is the Parks doing it and not the Highway?

Chairman Hemmer: Good question.

Legislator Gould: That is a logical question. They are hard to answer.

Chairman Hemmer: It's part of that \$850,000-

Legislator Gould: Especially when I'm-

Mr. Bentley: I'm sorry, I was talking to Kitty. Can you repeat the question?

Legislator Gould: The Lucy Trail is listed under Parks in one exhibit here and it's a trail, not a park. It's not one of our official parks. It goes alongside your road. So, I assume it would be under the highway and not under parks.

Mr. Bentley: Is the park just a descriptor or is it actually under parks?

Chairman Hemmer: It's the budget line.

*(Cross-talk)*

Ms. Crow: Some of it has to do with when the grant comes in and how it is written and is the funding mechanism because it's along a park or something- I don't know, but it is just the account. They both roll up to the same Director. It is just the account number that is used and it's just where it shows up on the chart of accounts. We usually try to narrow things up- at the end of the day,

Legislator Gould: We can picnic on this trail?

Chairman Hemmer: It was kind of like a Complete Streets project, wasn't it? They were redoing the road and added a reinforced shoulder or something and-

Ms. Crow: That was kind of a joint project with the Planning Department and the DPF. Sometimes those get kind of categorized a little differently. That is just what I recall from when that was originally set up a few years back.

Mr. Bentley: Was that set up with a grant?

Legislator Gould: Yes.

Mr. Bentley: The grant wording might play a part- sometimes those grants can be a little specific on what you can use the money for. You make sure the descriptors line up so you don't get in trouble with the grants.

Legislator Gould: That is the best answer I have had so far. You might be right. I was just curious.

Chairman Hemmer: Several of these projects- there is a balance left over. Is that just saying the project is not completed or is that a balance that is going to go back into the general fund or the capital improvements fund?

Mrs. Dennison: It would be that the projects are still in progress. We are endeavoring to close projects as they are completed. Last year we did a lot of closure of old projects. The ones that are left are active projects- as of October 31<sup>st</sup>. We do close projects as we go through the year. The majority of that work would be done at the yearend process. There may be a few of these that the work has been completed but we haven't actually-

Chairman Hemmer: Caught up.

Mrs. Dennison: But in general, it would just be that the projects are still active.

Chairman Hemmer: OK. When the work is done, there will be a resolution to-

Mrs. Dennison: Close the project and charge any budget balance to the capital reserve or other appropriate funding sources. Any other questions on specific projects?

Legislator Nazzaro: I'm comfortable because several of us attended the Planning-

Chairman Hemmer: The capital projects review-

Legislator Nazzaro: We went over them very thoroughly and I know some we didn't fund and a couple I think were considered operational and not capital. I think we did a good job going through that. I want to recognize my esteemed colleague, Pierre Chagnon, for going through-developing a process to go through the capital projects, and close them out when they are completed. Now, I believe we have a pretty clean list. It may not be 100% perfect, but it is certainly a lot better than what we had in the past. Good job.

Chairman Hemmer: Yes, thank you. OK, anything else on our capital projects?

Mrs. Dennison: I will research with the Town of Public Facilities the roads and bridges split and have an answer for you.

Chairman Hemmer: OK, did we fully cover capital projects? Let's move on to Water & Sewer Districts.

### **Water & Sewer Districts (SCCLSD):**

Mr. Walsh: Good afternoon.

Chairman Hemmer: It looks like tab number 27.

Mr. Walsh: I'm going to give you a short graph to kind of give you an idea of where we are at, who we are serving, and hopefully where we are going. So, at the South and Center Sewer District we have a current average customer base of about 5,000 customers. As you can see, our population has been somewhat stagnant. On the first page you can see we have not seen a large population growth. Our current fee per unit is \$88.50 per unit. That is a single household. All industrial accounts are billed on water usage. So, every 17,500 gallons are then billed \$88.50.

Any industries above their nutrient loading, we will surcharge them accordingly. The second page is our revenue over the past 12 years. What we are seeing there is about a 2% increase, although we have a stagnant- as far as residential, we are seeing an increase in some of our industrial users such as Southern Tier Brewing Company, Castelli Cheese, Cummins Engine Plant and we just recently- the Celeron Hotel. Although that is one customer, it is a significant user in our system. We have Calamar, they are an assisted living group on South Western Drive. They went online. That is 116 billing units even though it is one customer. There is a little deviation of what our customer base is per our billing. So, that is where we are. Transpiring that into our budget- we are operating at about \$2.8 million revenue and we are operating at about 85%-90% of that revenue. Our numbers do show in the capital gain and loss- part of that is the cash depreciation that we do account for in our budget along with a contingency and also a capital line item that we have because we cannot fail, we do not stop, we do not close a bridge, flooding- we will not fail, so we do have those account lines to protect for that. Any questions up to this point?

Chairman Hemmer: I don't think so.

Mr. Walsh: We do have a staff of about 17 people. We just had our lab technician of 20 years, Christine Humpfrey, retire. She has been replaced and trained. You will see that as a .75 overlap on that. Other than that, 17 is our number that we hit or miss. Following those pages, it's line items accordingly. I can go through every one or answer any specific questions that you have.

Legislator Nazzaro: You had maintenance costs that were classified as capital?

Mr. Walsh: Depreciation-

Legislator Nazzaro: It says equipment maintenance cost no longer capital expenses. Maintenance shouldn't be capital-

Mr. Walsh: Right, but when we were doing basic drive items we would put that in capital and now we will have to put that in maintenance. Replacement- we weren't- it wasn't maintenance, it was the replacement of certain things. So, we would bill that in capital and now we are billing that in maintenance. That is just an item.

Legislator Nazzaro: OK.

Legislator Niebel: Tom, the three new vehicles-

Mr. Walsh: Yes.

Legislator Niebel: Do we average three vehicles per year, or is that unusual?

Mr. Walsh: We are actually- under the direction of our County purchasing, Erie County- the price of pickup trucks and the resale of these pickup trucks is so high that Erie County is now

following a two year trade in after the purchase on the State Budget. We are now putting them in at resale for two years following and seeing a significant trade in on our value. After two years, we are trading them in at 20,000 to 35,000 or 40,000 miles and we are doing very well on the payback of those.

Legislator Niebel: We have about six vehicles that we-

Mr. Walsh: six pickup trucks that we are going to put on a rotation. We also have specialized vehicles. One vehicle is- its called CCTV. It's a camera van that we basically have 81 miles of sanitary sewer infrastructure and we utilize that vehicle to go out and inspect so we can maintain at a better- we can basically do maintenance with that system. We can cut roots, clean blockages and basically just inspect all those pipes.

Legislator Niebel: Now we are doing a two year trade in?

Mr. Walsh: On the pickup trucks, yes.

Legislator Niebel: OK.

Chairman Hemmer: Any further questions on this sewer district budget? Thank you very much, Tom.

### **Water & Sewer Districts (NCLSD):**

Mr. Cummings: Good afternoon. I will start with the North District budget. We had a few changes this year. The big thing with our North District budget is we did- we had to do a rate increase for this coming year to help cover the cost- the cost of our budget was quite significant, unfortunately. For the past several years the district has been running in the red. We tried to do what we could to increase the funds to get us in the black. We are kind of going that way now with this year's rate increase. Again, unfortunately it was quite high. We service a little over 1,300 customers in the North District-mostly residential. (*Inaudible*) commercial, but we are at a rate- we had to split the rate. It used to be \$94.50 per quarter and now we are at \$135 per quarter for all users that come to our plant here in Mayville and then it went to \$185. Well, all of our users are going to the Chautauqua Utility District to cover the cost of what they charge us. So, we have got the rate increase in place and we are moving forward. The biggest thing with the district is of course our phosphorous upgrade project. It's just about done. That was quite a project. A little over \$3- we are going to be in the area of about \$3.7-\$3.8 million when we get done with this project. It's almost completed and then we will move forward from there. That is kind of what we are dealing with. In the budget, because of that phosphorous upgrade project, we had an increase in our utility cost. We had to add a gas line to our facility. We have never had natural gas down there before. Our electric cost is going to go up; our chemical cost is going way up. Now that the new process is in place we have to use chemical to remove the phosphorous. That was some of our increases. If things stay in place, what we are looking at now for 2019, we

are hopefully going to be in the black about \$80-some thousand- we are hoping, compared to the last several years when we have been running in the red. I think that means that we are moving in the right direction. My hope is we can start working out into the collection system next to start doing some infrastructure repair over the next couple years. That is my goal if we can keep things going. We had a couple of changes between the North District and PPD. We used to contract with the PPD District for labor and with Kathleen's help and Janelle's help we have changed things around and we are no longer doing a contract. It's all allocated to that district so it's a little change in the budget. I think you can see a few changes there of how we are operating it. The cost is about the same.

Legislator Chagnon: Scott, although some of my gristle at the prospect of you having a surplus projected in this budget, that is to replenish your fund balance which was more than depleted.

Mr. Cummings: It was very, very low. The fund balance was almost nil. We really needed to do something. I have a few board members that don't like the fact that we are collecting a little extra money from the users, but I think financially we need to come up with a certain amount of money to keep in that fund balance to operate. I have talked with Kathleen about it. What is the proper amount? Half a budget year amount? There is no set number. I do believe we need to be more than the \$10,000-\$11,000 that we had left in our fund balance.

Chairman Hemmer: Do you have- you said something about doing some maintenance or- that normally comes out of your fund balance?

Mr. Cummings: Right. We didn't do a whole lot over the last couple of years because there just wasn't any money in the operating budget to do a lot of infrastructure repair out in the district. This year, we are hoping to apply- we have already applied for some grant money- looking for some monies to do some infiltration repairs-line repairs. We are kind of in that process now. Now that the phosphorous project is going to be done, my hope is that the North District board will move forward to try and help fix some of those old lines. The lines here in the Village are from the 1950's. It's all old clay tile lines. They leak terrible. Every district has infiltration, but ours is really bad.

The next thing with our plan is we are pretty close to being maxed out on our flows for our plant so if there is going to be any expansion of the district around the lake coming north, we are going to have to expand our plant to do that. So, hopefully, if we can reduce our infiltration problems, we can hold that off a little bit and try to spend the money where it needs to be out in the district and then expand the plant when the time comes. Hopefully with the North District board's approval we will move forward with doing some line repair out in the district in the collection system next.

Legislator Chagnon: It is awfully expensive to collect ground water- nice clean ground water, pump it to a treatment plant, treat it and then discharge it. It's a lot better investment to just stop it from coming in the pipes.

Mr. Cummings: Yes, it makes a big difference. Like Pierre said, now we have our chemical costs that we are going to think about because that chemical usage is determined on our flows.

Chairman Hemmer: Sure.

Mr. Cummings: More flow, the more chemicals you have to use. All those things that you have to try to judge and do your best to try to control that. That, I hope, is the North Districts focus moving forward is that we get out into the collection system. It has been unfortunately neglected since the early 80's- really when they put the sewer around the lake in the late 70's- early 80's, nothing has been done since. We are at that point that we need to do something.

Chairman Hemmer: So your whole system needs to be upgraded?

Mr. Cummings: Probably three quarters of it needs to be checked to see what we need to do. Those funds have to come from some place and at this point we are certainly not going to raise the rates again just to do that. We need to do the best we can with the funds we have, look for grant monies, and try to get some of this work done.

Chairman Hemmer: And there might be some grant money available.

Mr. Cummings: Right. There is some for some of the studies. At the same time, we are going to start negotiating with the Chautauqua Utility District to revamp that contract we have with them. That contract is really not fair to the North District users. We have no control over what they spend and unfortunately we have to cover 8 and a third percent of whatever they do, plus the cost of the treatment of the water. So, it really is very difficult for us to come up with those funds and it is on a certain number of people in our district that go to their plant- it's really difficult when you have just a few users. We are going to work on that.

Chairman Hemmer: Good.

Legislator Gould: Other equipment? Motor Vehicles- other equipment? Why is there two other equipment's listed there? I assume they are two different- 2700 and 3700- page 5 of 9, if that is of any help to you.

Mr. Cummings: Which page?

Legislator Gould: Page 5 of 9.

Mr. Cummings: Right, OK. So, the first one, the 2700 is any item you buy that is under \$5,000. We use that for small pumps and 3700 is for larger projects that are over \$5,000 each. I think that is how that is broken up. Is that correct?

Mrs. Dennison: Yes.

Mr. Cummings: That's where if we were going to buy a vehicle or we were going to buy a large pump with a cost over \$5,000, we would put it in the 3700 account.

Legislator Gould: A vehicle would be in the motor vehicle section.

Mr. Cummings: You're right. I'm sorry. That is correct. The two other equipment's- that is how that is broken down. We use- grinder pumps cost about \$1,300 each and we usually buy about ten of those a year. That usually goes in the 2700 because the item is less than \$5,000. Then, for our big pump stations, those pumps average anywhere between \$5,000 and \$15,000 apiece. As we need them, we would put them in the 3700 account.

Legislator Gould: Do you have a lot of them?

Mr. Cummings: I have 13 large pump stations with 2-3 pumps each, so we have about 25-28 different pumps and we have a spare for each pump station. At this point we are doing pretty well with those pumps. We have one pump station I want to upgrade this coming year with a little bit bigger pumps- because of the amount of flow that is coming into that, we have a lot of issues. That would cut down on our pumping hours. We are pretty good with our main pump stations right now as far as the equipment and the control panels.

Legislator Gould: Another question I have is on other pay. It is only \$200, but what is other pay?

Mrs. Dennison: It is the shift difference-

Mr. Cummings: It's the shift differential depending on what time- if the guys come in at different times of night to do work, get called in, things like that. I've got about 13 large pump stations around the district and about 170 grinder pump stations around the district plus the gravity system. I think that moving forward, the North District- you will see us taking over portions of the Town of Chautauqua moving along the north into Dewittville. We contract with the Town to maintain a package plant for them. It is going to be decommissioned and made into a pump station and then brought around to our plant here in Mayville. We contract with the town do to that work- the maintenance work for them. In between that new pump station and the end of our existing district on Gallaway Road, that is the next phase that will be all grinder pumps. We are looking to add about 65 more grinder pumps in that area in the next project. I think when that happens, more than likely, I think the town is going to want to get out of the sewer business and that will be turned over to the North District. That makes the most sense to me since we do

that every day. That is something in the future as we move down the lake and keep sewerage the lake.

Legislator Gould: How soon do you think that might happen?

Mr. Cummings: Well, the new pump station is to start here in October- this month they will start work on that and should be completed in a year from now. Then the next phase for the grinder pump section is supposed to start around the beginning of 2020. That is less than a year project to do that. As we move down the lake further, I don't know when that is ever going to happen. It all depends on grant monies. Even the section between the pump station and the end of our district- that grinder pump section, we need to get a fair amount of grant monies to bring that cost down. Otherwise, the user fees for the users in that area is just going to be way too high. It is going to average around \$2,000 a year. We can't do it without grant money. It is just too much. In the North District we contract with PPD and we've also been doing some work for the North County Water and Sewer District. We started doing that this past year. Right now I have three fulltime employees and then a part time account clerk and myself for the North District.

Chairman Hemmer: Thank you very much for all that information. Do we have any other questions from the committee? Let's move onto the PPD budget.

### **Water & Sewer Districts (PPD):**

Mr. Cummings: As far as the Portland Pomfret Sewer District- there is a little over 500 users right now- about 504. It is pretty much all residential except for a couple of restaurants and then the Shorewood County Club. It's a fairly small district. There are five pump stations that pump it all to the Fredonia Waste Water Treatment Plant in the Village of Fredonia and they charge us to treat the sewage. Unfortunately that cost is very high right now. It has gone up over the last couple of years. We are budgeted to spend about \$185,000 a year- this coming year to pay them for treating that sewage. That is a lot for 500 users. We are in negotiations- we were in negotiations with the Village of Fredonia to work on that contract. It ran out in the 80's but it stayed in the contract to just continue on until somebody decided to re-negotiate. This past year, when I took over, we tried to start that process and we worked with two of their Village Board members who were on their Sewer Committee with three of our PPD board members and I thought we were doing really well and the Village administrator at the time proposed a rate that was reasonable. Everybody on the two committees agreed to it, but when it went to the Village of Fredonia work session- I don't know where the Village got their information about what we were trying to do, but they thought we were trying to pull the wool over their eyes. I couldn't understand it, but it all fell apart. I talked with the attorney for the district, Kristen Wright, who was trying to help us and then also with Greg Yaw who used to be the District Attorney of the Sewer District for many years and he told me good luck because he couldn't do it. I don't know where that negotiation is going right now with Fredonia, but if we don't renegotiate that contract and get a better deal for the PPD District, we are still looking at about \$19,000 in the red for the

budget. We are still short. Even with the rate increase that we did there this past year. It started the first of the year. We increased the rates over there to try to compensate for the cost to Fredonia and even with that, we are still a little- we are going to be close on our budget coming up this year. We don't do a whole lot of extra over there. We do what we can to maintain the lines and keep the equipment up and running. There is not a lot of extra money in that district. With this rate increase that we just did, we will no longer be using fund balance to offset the cost of our operating budget. At least that is the goal. I'm going to keep trying to work with the Village of Fredonia and see- now that they have a new administrator, see if we can work out a contract that is fair to both sides. I'm not too optimistic right now, but we are going to try. So what we did with the PPD District, again, we used to contract with them. Now, they are going to pay for the employees. So, out of the three employees that I have, they pay for 80% of one employees wage and benefits and now we are starting to do some work for the North County Water and Sewer District and they pay for 20% of one man's wage and benefits and 20% of my account clerk and 10% of my wage and benefits and PPD pays for 20% of my wage and benefits. We have split that up pretty well. Sometimes it is hard to get work done because you're spread out between three districts, but we are managing that.

Chairman Hemmer: Under contractual you were able to reduce it by \$98,350?

Mr. Cummings: That is where- maybe Kathleen can answer this a little better. That is where we started to allocate employee costs-

Chairman Hemmer: Oh, is that what it is?

Mr. Cummings: That is what did that. That's what a lot of that change was for PPD.

Mrs. Dennison: There is an increase in the personnel- personal services and benefits with a decrease in the contractual- just a transfer between the two (*inaudible.*)

Chairman Hemmer: OK. Do we have any further questions for Mr. Cummings?

### **Water & Sewer Districts (NCIWD & SD #1):**

Mrs. Dennison: OK, we are going to move on to tab 38 to the North County Industrial Water and Sewer Districts.

Chairman Hemmer: Tab 38?

Legislator Nazzaro: Yes.

Mrs. Dennison: Director Purol is not able to be here this afternoon, but both Scott and I have worked with him on developing his budget. So, we will be happy to take you through that. It's kind of a similar situation here in these districts. There are a couple things that are going on that are different for 2019. One is that the Law Department instructed us that the fund balance for the North County Industrial District needed to be split between water and sewer. Earlier this year

it was a combined balance and so we did some work on how to split out that fund balance. That also means that we have to take a little more care in making sure that the cost and the revenues are split appropriately between water and sewer districts, and we have done that. The district also has proposed a rate increase in its sewer operations. With that overview, let's look first at the local share spreadsheet- the district is expecting a loss in 2019. If you turn to the personnel page you will see that the district now has additional personnel because we are allocated personnel from the North Chautauqua Lake District. As Scott described, there was recently a contractual relationship there- or actually, the Legislature was doing a lot of the- Kathy Tampio was doing a lot of the administrating work for the North County Industrial District, which was not appropriate. That work has been now been transferred and the cost of it transferred to- the work is done by an account clerk in Scott's office and then a portion of it is allocated to the Industrial District. That is why you will see an increase in- a .4 increase in personnel- a number of full time equivalents for the district- because it does receive part of an account clerk.

Then, if we could skip over the summary page and go to department EW8120- Sanitary Sewers. That is the detail on the sewer component. You will see that there are now the personnel costs allocated from the North's district. Also, with the advice of the Law Department, we have found that the district has to pay per sewage treated by the City of Dunkirk, but it also gets revenue for that. We have increased both the cost and the revenue associated with that. It's mostly just an accounting change to make sure everything follows the letter of the law.

Mr. Cummings: With that sewer district over there, they are looking for a rate increase coming up this coming year? That is going to be coming to the Legislature soon?

Mrs. Dennison: Yes. There is a pending rate increase for the sewer component.

Chairman Hemmer: They have a board as well?

Mrs. Dennison: They do, yes. They have a board for the Water District and for the sewer district- two separate boards with the same people on the boards. I did work with them on looking at their cash inflows and cash outflows and we worked together to come up with a proposed increase. It has not yet been adopted, but the budget is based on the assumption that the rate increase-

Chairman Hemmer: That it will go through.

Mrs. Dennison: Yes.

Legislator Chagnon: I understand. Previously the district was not charged for sewage treatment and the users paid directly?

Mrs. Dennison: They paid the City of Dunkirk.

Legislator Chagnon: Now, the district is being charged by the City and the users are paying the district?

Mrs. Dennison: Correct. You are going to see a- kind of the same story in the Water District, department EW8310. Again, personnel are charged to the Water District in place of Kathy Tampio doing their administrative work. They get a contract for the administrative work, but also some (*cross-talk.*)

Mr. Cummings: We can't really do maintenance on the water lines. We don't have a D water license, but we do work on their water billing or pump billings- things like that we just do general maintenance for.

Mrs. Dennison: There will be a similar situation with the sewage (*inaudible*) water for the Industrial District. The District will have to purchase water from the North Chautauqua Lake Water District and then it will collect those revenues from its customers. It will have a cost for that water that it's purchasing, but it will also have a revenue for the water that it is supplying. Any other questions on that district? Again, we are working with them to have the most appropriate rates that we can to make sure that they are getting as close to a break even situation as possible.

Chairman Hemmer: All the bookkeeping is in line with other-

Mrs. Dennison: Yes.

Chairman Hemmer: That is probably good. Do we have any further questions? Thank you very much.

### **Water & Sewer Districts (NCCWD):**

Clerk Tampio: Also in tab 38 there is light pink divider right after what you just reviewed with Scott.

Chairman Hemmer: Under the light pink divider?

Clerk Tampio: Yes, for the North Chautauqua County Water District. There is no line item detail for this because this budget is in its infancy. Kathleen assisted in creating this for us for this year. There are no employees. What we did was we estimated the revenues based upon our engineering estimates of the consumption of water- the water that will be purchased by the district from the City of Dunkirk as their supplier. Based upon the agreed upon cost of that water, which is \$3.57 per thousand gallons, we came up with the projected revenue of the \$1.35 million- well, the cost of water- lets back up to the expense. The contractual cost is of water to the City of Dunkirk. What's not included in contractual, yet, because we have to wait until the system is completely online and we have a better handle on what those expenses will be. We will be the O&M for this district which is going to be provided by the shared municipal services group that is being assembled right now. The contract between them is the same entities that are part of the Water District, but they are having their own shared service agreement to provide O&M not only for the Water District, but for all their municipal districts. That will include meter

reading, billing, receivables, leak detection, minor repairs and so on. So, the district will have a contract with that shared service group for the O&M for the district infrastructure which will include insurance costs, electric costs for pump stations, etc. Until we have those kinds of numbers in place for next year, we will anticipate a budget amendment for next year to create those accounts- those line items. Likewise, the departmental income is the income- the cost of water that will be charged to all the municipalities that receive water through the district. It will actually be a charge to that shared municipal services group. In addition to the \$3.57, we have to add on approximately \$1.00 for debt service. Once we have our debts in place and grants have been received and grants have been closed on and so on- and also, another \$0.10 increase on top of that for the O &M costs. Like I said, this is very preliminary. As of today, the western portion of the project which goes to the City of Dunkirk and all the way to the Village of Brocton is currently starting to receive water from the City as a district customer. The capital project on the west side that was done first is almost completed. There will be a final punch list and close out, hopefully by the end of this year. This fall and probably into next year, the east side of the project will commence. That is from the City of Dunkirk all the way to the Silver Creek Village line along Route 5. When that is completed, the whole capital project is completed for these phases and then we will be able to assess our numbers and make a more accurate budget for 2020. Any questions for this?

Chairman Hemmer: Just curiosity- the shared municipal services group, is that- who is going to do that? Who is going to formulate that group? How is that going to come about?

Clerk Tampio: Well, they received- I think it was a \$200,000 grant from the department of State. It was a local government efficiency grant to create this group and to acquire their initial assets. They have a vehicle, a leak detector system and they are setting up a new billing system- meter reading system for all of the communities. It is made up of the Village of Brocton, Town of Portland, Town of Pomfret, Town of Dunkirk, and Town of Sheridan. It's all the same municipalities that are part of the Water District, but it is a separate entity and it will be led by the personnel in the Village of Brocton. So, they have themselves set up this whole system and what share each community has to contribute and they will collectively send out all the bills, read the meters- prior to that the City of Dunkirk provided the meter readings and billing for Sheridan and the North County Industrial Water District will be part of this too, and the Town of Dunkirk, and part of Portland and Pomfret- the Pomfret Route 5 section. They did not have any personnel for O&M or for their administrative functions but now, they are going to be separate from the City. The City is going to cease doing that function, and that is when all the communities decided to get together and do this collectively. So, instead of hiring personnel for each municipality, they have consolidated that function.

Chairman Hemmer: It is not going to be a little bit of time from the guy from Dunkirk and a little bit of time from the guy from Silver Creek? No?

Clerk Tampio: No. It's the existing personnel in the Village of Brocton and the Town of Portland.

Chairman Hemmer: OK.

Clerk Tampio: It will be a substantial cost savings.

Chairman Hemmer: Sounds good.

Clerk Tampio: Did that explain it enough Kathleen? She was a big help. This is the first time the County personnel that are here have really created a district.

Also, part of the operation and maintenance will be the payroll allocations that will have to be determined at some point because we use- the district utilizes the County's Law Department. Steve and Kristen have worked on this very hard. They utilize- Finance will have to have some type of payroll allocations and maybe the Legislature Clerk Office if I continue to do that function for them. At this point we have been helping them out to get them going.

Chairman Hemmer: Are there any questions? Thank you everyone. Are there any other recommendations?

Legislator Nazzaro: I'll make a motion to adjourn.

Legislator Wilfong: I will second that.

*Unanimously Carried (2:37 p.m.)*

Respectfully submitted and transcribed,

Kathy K. Tampio, Clerk/Lori J. Foster, Deputy Clerk/Secretary to the Legislature/ Olivia L. Ames, Committee Secretary