

Meeting of the Olean Urban Renewal Agency

Wednesday, November 14, 2018

8:30 a.m.

Room 119 – Olean Municipal Building

Attendance: Members - Chairman Charles Corcoran, Mayor William Aiello, Earl McElfresh, and Deanna Foster. Staff - Keri Kerper, Community Development Program Coordinator; Jack Hart, Attorney, Wagner & Hart, and Tiffany Taylor, Managerial Confidential Administrative Secretary.

1. Roll Call

Mr. Corcoran called the meeting to order at 8:30 a.m. and asked that the record show that all members were present except John Ash, John Crawford and Nate Smith, who were excused.

2. Reading & Approval of the October 17, 2018 meeting minutes

A motion to approve the minutes of the October 17, 2018 meeting was made by Mr. McElfresh, seconded by Ms. Foster. Voice vote, ayes all. Motion carried.

3. October 2018 Financials

A motion to approve the October 2018 Financial Statements was made by Mr. McElfresh, seconded by Ms. Foster. Voice vote, ayes all. Motion carried.

4. New Business

i. Authorities Budget Office Policy Guidelines

Ms. Kerper explained that, as a result of training online that she has completed with the New York State Authorities Budget Office and in relation to PARIS reporting, she has found that there are several policies that the Agency does not have in place that it should. She presented the Agency with sixteen policies that it needs to adopt, in order to be in further compliance on next year's reports. Ms. Kerper explained that only four policies that she had found were previously adopted.

Mayor Aiello asked if the Ethics Officer as described in the Code of Ethics had to be a member of the Agency, and Ms. Kerper replied that it does. Mr. Smith asked if the policies being discussed today are optional or State mandated, and Ms. Kerper responded that the Authorities Budget Office has provided guidance that the Agency should have these policies in place.

A motion to adopt the Olean Urban Renewal Agency Code of Ethics was made by Mr. McElfresh, seconded by Ms. Foster. Voice vote, ayes all. Motion carried.

A motion to appoint Earl McElfresh as the Agency's Ethics Officer was made by Mayor Aiello, seconded by Ms. Foster. Voice vote, ayes all. Motion carried.

Ms. Kerper explained that the Governance Committee relates to the Agency's best practices, and the Governance Committee Charter outlines what the Agency should be doing. She explained that the Committee will review the Agency's Annual Report and will meet twice a year. Ms. Kerper continued that all of these policies, as well as committee members, need to be posted online in order for the Agency to be transparent.

A motion to create a Governance Committee consisting of Mayor Aiello (Chairperson), Mr. Corcoran, and Mr. Ash and to adopt the Olean Urban Renewal Agency Governance Committee Charter was made by Mr. McElfresh, seconded by Ms. Foster. Voice vote, ayes all. Motion carried.

Ms. Kerper explained that the Finance Committee will also consist of three members with one chairperson, and will also review the Agency's Financial Report and meet twice a year in order to do a self evaluation of the Agency.

Mr. Smith asked if the URA is the only City Agency which is required to adopt these policies, and Ms. Kerper responded that the Olean Local Development Corporation (OLDC) will also need to go through this process. She explained that the URA is a Public Benefit Corporation, and is and always was, therefore, subject to the ABO guidelines.

A motion to create a Finance Committee consisting of Mr. Crawford (Chairperson), Ms. Foster, and Mr. Smith, and to adopt the Olean Urban Renewal Agency Finance Committee Charter was made by Mr. Smith, seconded by Ms. Foster. Voice vote, ayes all. Motion carried.

Ms. Kerper explained that the Audit Committee's function will be to review the Agency's Annual Audit, and to meet twice a year.

A motion to create an Audit Committee consisting of Mr. Crawford (Chairperson), Ms. Foster, and Mr. Smith, and to adopt the Olean Urban Renewal Agency Audit Committee Charter was made by Mayor Aiello, seconded by Mr. Smith. Voice vote, ayes all. Motion carried.

Ms. Kerper presented the Annual Board of Directors Evaluation Policy and a Confidential Evaluation of Board Performance. She requested that the Agency complete the Evaluation, which she will then summarize the results of for the Agency and submit to the ABO.

A motion to adopt the Annual Board of Directors Evaluation Policy and to accept the accompanying Confidential Evaluation of Board Performance was made by Ms. Foster, seconded by Mr. Smith. Voice vote, ayes all. Motion carried.

Ms. Kerper explained that she has composed the following statement on behalf of the Agency (in regard to the Assessment of the Effectiveness of Internal Controls) and posted the statement on the Agency's website as per ABO requirements:

"This statement certifies that the Olean Urban Renewal Agency followed a process that assessed and documented the adequacy of its internal control structure and policies for the

year ending June 30, 2018. To the extent that deficiencies were identified, the authority has developed corrective action plans to reduce any corresponding risk.”

A motion to adopt the previous statement and adopt a policy for the assessment of the effectiveness of internal controls was made by Mayor Aiello, seconded by Mr. McElfresh. Voice vote, ayes all. Motion carried.

Ms. Kerper explained that the Whistleblower Policy states that each Agency member will conduct themselves with honesty and integrity and will observe the highest standards of business and personal ethics as set forth in the Agency’s Code of Ethics, and that each Agency member is responsible to report any violations of the Code without being subject to retaliation.

A motion to adopt the Olean Urban Renewal Agency Whistleblower Policy was made by Mr. McElfresh, seconded by Mr. Smith. Voice vote, ayes all. Motion carried.

Ms. Kerper explained that she prepared an Annual Report on behalf of the Agency, which has been posted on the Agency’s website in accordance with requirements by the ABO. She explained that the financials that are presented on the report were inputted into a report system and compared with the Annual Audit results.

Ms. Foster explained that she believes that she has completed training, although the Annual Report lists that she has not. Ms. Kerper asked that Ms. Foster provide the completion certificate, if possible, so that she can update the Agency’s record.

A motion to accept the Olean Urban Renewal Agency Annual Report, Fiscal Year End Date 06/30/2018 was made by Mayor Aiello, seconded by Mr. McElfresh. Voice vote, ayes all. Motion carried.

Ms. Kerper explained that the Agency needs to report on an annual basis the real property that it owns. She then provided a Real Property Report for the Agency to review that was generated after the 2017-2018 fiscal year end date.

A motion to accept the Real Property Report for the Olean Urban Renewal Agency was made by Ms. Foster, seconded by Mr. Smith. Voice vote, ayes all. Motion carried.

Ms. Kerper presented the Olean Urban Renewal Agency’s Organizational Chart for review. Mr. Smith asked if the Agency is considered “above” the Common Council, and Mr. Hart explained that the Agency is independent of the Olean Common Council. The Agency and the Council are tied together because the Agency requires at least one member be a Common Council member, and the Council must approve certain transactions by the Agency.

Mr. Smith asked if the Agency will cease to exist if it does not own any real estate, and Mr. Hart replied that although the Agency is not required to own real estate, it may cease to exist when it no longer owns any real estate. Mr. Hart added that in the 1970’s, the URA began when a portion of the downtown was demolished, and later the Common Council funded \$500,000 for the

acquisition of a property that previously belonged to Conrail. He explained that everything that the Agency has is the result of the sale of property.

There were some questions regarding the setup of the Organizational Chart; however, it was decided not to change anything at this time.

A motion to adopt the Olean Urban Renewal Agency Organizational Chart was made by Ms. Foster, seconded by Mr. Smith. Voice vote, ayes all. Motion carried.

A motion to adopt the Olean Urban Renewal Agency Conflict of Interest Policy was made by Mr. McElfresh, seconded by Ms. Foster. Voice vote, ayes all. Motion carried.

A motion to adopt the Olean Urban Renewal Agency Corporate Governance Policy was made by Mr. McElfresh, seconded by Ms. Foster. Voice vote, ayes all. Motion carried.

A motion to adopt the Policy Governing the Use of Authority Discretionary Funds was made by Ms. Foster, seconded by Mr. McElfresh. Voice vote, ayes all. Motion carried.

Ms. Kerper provided to the Agency Purchasing Guidelines, which mimic the guidelines adopted by the City of Olean several years ago. Mr. Corcoran asked if it should be included that Ms. Kerper can spend up to \$250 without prior Agency approval., but after looking at the document, he found that the Purchasing Guidelines exempts emergency purchases from the requirements shown.

A motion to adopt the Olean Urban Renewal Agency Purchasing Guidelines was made by Mr. McElfresh, seconded by Mr. Smith. Voice vote, ayes all. Motion carried.

Ms. Kerper provided Policies and Procedures for the Use of Credit Card or Charge Accounts, and explained that although the Agency has no credit cards or charge accounts, the Agency is required to adopt this policy in case a credit charge or charge account is opened in the next year. She added that the Agency has a CD and a checking account only.

A motion to adopt the Policies and Procedures for the Use of Credit Card or Charge Accounts was made by Mr. McElfresh, seconded by Ms. Foster. Voice vote, ayes all. Motion carried.

A motion to adopt a Policy Prohibiting the Extension of Credit to Board Members and Staff of the Olean Urban Renewal Agency was made by Ms. Foster, seconded by Mr. Smith. Voice vote, ayes all. Motion carried.

5. Old Business

i. Manufacturers' Hanover Building

Ms. Kerper explained that Kathleen McIssac from the New York State Office of Parks, Recreation and Historic Preservation came to Olean to inspect a project not related to the Agency. Ms. Kerper explained that she provided Ms. McIssac with a copy of the Management

Agreement sample during her visit. Ms. Kerper explained to her that the Agency and Savarino Companies, have gone back and forth with various revisions throughout the past year, and provided for her an update of where the Agency stands currently in the process. Ms. Kerper continued that she explained the City's Pass-Through Agreement for the Olean Gateway Project, and asked if the Agency could do something similar in nature for the 101 North Union Street Project. Ms. Kerper advised that she forwarded the sample documentation to Ms. McIssac, who will review the agreement along with other Parks officials and advise the Agency if a similar agreement would be feasible for the 101 North Union Street Project. Ms. Kerper indicated Ms. McIssac advised she will be forwarding the sample documents to another Parks colleague who has more experience with Management Agreements such as the one proposed for this project.

Ms. Kerper added that she has contacted Savarino Companies to notify them that the Agency has reviewed and approved their request for an extension of the Inspection Period.

ii. 107 North Union Street

Ms. Kerper explained that after the last Agency meeting, she sent a timeline, the Legal Notice for Public Hearing, the Development Agreement, and the draft resolution to Savarino Companies for its review. Ms. Kerper advised that Savarino Companies reached out to her on November 13, 2018 advising that they accepted all documents as presented. Ms. Kerper explained that the Agency can now move forward to schedule a Public Hearing, which will be held on Tuesday, December 11, 2018 at 6:15 p.m. prior to the Council meeting. She advised that at this time, Courtney Cox of Savarino Companies will be present to present the project to the Council. Ms. Kerper also indicated that she will be sending the Legal Notice of Public Hearing to the Olean Times Herald for publication.

Ms. Kerper explained that the same night as the Public Hearing, the Council will be voting to designate Savarino Companies as a "Qualified and Eligible Sponsor", to approve the Development Agreement and to qualify the disposition of the 107 North Union Street property. Ms. Kerper explained that after this date, the Agency will meet on December 19, 2018, at which time Mr. Corcoran may execute the Development Agreement, which will then be forwarded to Savarino Companies. She explained that this will start the Agency's due diligence period, which will give the Agency until January 3, 2019 to copy all documents on file regarding this property and provide the documentation to Savarino Companies.

Ms. Kerper explained that Mr. Hart reached out to K LW Appraisal Group, who also provided the appraisal for 101 North Union Street. She explained that the purchase price for the building is based on the appraisal, and it makes sense to have the same type of detailed appraisal performed for 107 North Union Street as was done for 101 North Union Street. Ms. Kerper explained that she has provided the Agency with an estimate of \$1,800 for the appraisal from Mr. Klauk of K LW Appraisal Group.

A motion to authorize the appraisal of the property by K LW Appraisal Group for an amount not to exceed \$1,800 was made by Mr. McElfresh, seconded by Mr. Smith. Voice vote, ayes all. Motion carried.

iii. Blue Collar Workwear – Purchase of Real Property (Constitution Avenue)

Ms. Kerper explained that Mr. Hart has prepared an agreement to allow for the sale of the property to Blue Collar Workwear to proceed.

6. Bills

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| i. National Grid (107 NUS) | up to \$50 |
| ii. National Grid (101 NUS) | up to \$50 |
| iii. Empire Search Company
(107 North Union Street) | \$432 |
| iv. Emt on Field Service (Final Bill) | \$457.50 |

A motion to approve the payment of bills was made by Mr. Smith, seconded by Ms. McElfresh. Voice vote, ayes all. Motion carried.

7. Executive Session

A motion to enter into executive session to discuss contractual matters was made by Mr. Smith, seconded by Ms. Foster. Voice vote, ayes all. Motion carried. Executive session began at approximately 9:15 a.m.

A motion to adjourn from executive session was made by Mayor Aiello, seconded by Mr. Smith. Voice vote, ayes all. Motion carried. Executive session adjourned at approximately 9:20 a.m.

8. Next Meeting Date

The next meeting of the Olean Urban Renewal Agency was tentatively scheduled for Wednesday, December 19, 2018 at 8:30 a.m. in Room 119 of the Olean Municipal Building.

9. Adjournment

A motion to adjourn was made by Mr. Smith, seconded by Ms. Foster. Voice vote, ayes all. Motion carried. Meeting adjourned at approximately 9:20 a.m.