

## COMMITTEE OF THE WHOLE

Tuesday, May 19, 2020– 6:35 p.m.

Council Chambers – Olean Municipal Building

Present: Members: Alderman Gonzalez, Alderman Witte, Alderman Panus, Alderman Dougherty, Alderman Crawford, Alderman DaPolito, and Alderman Anastasia. Others: Mayor William Aiello; Fred Saradin, City Auditor; Bob Ring, Director of Public Works; Jeff Rowley, Police Chief, and Tiffany Taylor, Managerial Confidential Administrative Secretary.

### 1. Roll Call

Alderman Gonzalez called the meeting to order at 6:35 p.m. and asked that the record show that all committee members were present.

### 2. Unfinished Business

None

### 3. New Referrals for Consideration

#### a. Discussion – Capital Projects

Alderman Gonzalez explained that the Council has received multiple handouts, including Capital Project requests, a General Fund estimated addition to Fund Balance, and options regarding vehicle acquisitions. Mayor Aiello explained that he will begin by having Mr. Saradin go over the General Fund estimation, and what we will potentially add to fund balance.

Mr. Saradin explained that this afternoon he ran a report of all revenue and expenditures right up to the minute, and if we hypothetically said that we are closing for the year, and don't take in or pay out anything additional, we would add \$391,000 to the Fund Balance, HE explained that he has tried to take into consideration what we will incur in expenses, including payroll for May 29<sup>th</sup> and one week of the next payroll, then there's about \$400,000 or so in accrued payroll and payroll expenses. If we add late payables, and vouchers that come in during the month of June that are really May's business, then he estimates additional expenses of around \$741,000. He explained that if you add in accrued revenue that will come in after May 31<sup>st</sup>, including sales tax of which he estimates a figure of 65% of what we normally receive, plus utility tax and franchise fees, arterial highway revenue, mortgage tax revenue and Federal OATS revenue, that he estimates additional revenue of around \$911,000. He explained that this doesn't surprise him, as he kept saying that we would have a good year, but then COVID happened. He explained that when you figure in all of these numbers, that there is an estimated \$561,000 being added to the Fund Balance. He noted that the City has a lot of cost saving measures, as well as payroll being down and costs being reduced.

Mr. Saradin explained that we spoke a month ago about saving \$305,000 in expenses, and the City is on track to do so. He noted that again, \$561,8000 is an estimate of what is to be put back in the Fund Balance.

Mr. Saradin explained that last year the Fund Balance was at \$2,719,000, and the Council wanted it to be at 15% of the annual budget. He explained that we actually came in around 16 percent, and he is suggesting that if the Council wanted to, that they could take into consideration that there is \$99,000 in excess surplus as of last year, and if you take that availability plus leftover in Contingency, there is a potential \$820,000 available for Capital Projects. He suggested that when the Council look at these projects, that maybe they pick one or two and take the costs out of Contingency, and then meet in thirty days to see how much the world has changed and pick another project or two. Mayor Aiello noted that the Council should keep in mind that these are unaudited numbers.

Alderman Crawford asked how much of a reliance there is about the amount of sales tax coming in this month. Mr. Saradin explained that he estimated the amount at \$120,000 less than last month, He explained that he originally estimated that we would be 35 percent down, and we were 37 percent down so that's pretty close. He explained that he took that into consideration. He explained that he knows the amount of payroll that was distributed last week, and he doesn't think that will change, so he took that amount plus a half to try to account for the rest of the fiscal year payroll amount. He explained that he used historical numbers for accrued revenues from last year.

Alderman Crawford asked what potential risks we aren't considering. Mayor Aiello explained that there are a lot of risks right now, and uncertainty of what we will get from the State. He explained that the City has already received a \$2 million AIM payment, and will receive another smaller one in October. Alderman Crawford asked if it is possible that this amount could change for next March, and Mayor Aiello responded that it is. He explained that the Governor's budget has been submitted with a 13 percent decrease in AIM funding, and the legislature has 10 days to come up with their own plan or this would go into effect. He explained that he thinks that it will be a 13 % decrease right now, but we were fortunate that we already received a majority of our AIM funding, He explained that CHIPS funding and arterial maintenance could also be affected. He explained that he doesn't know what the Governor is going to do, and the legislature gave the Governor complete control over the budget. He explained that if the State continues to lose revenue that he could continue to make cuts. He is not sure if the DRI money will be affected or not, as nothing has been said regarding that.

Alderman Gonzalez explained that he feels that the prudent thing to do would be to pick a couple projects to fund from this year's current Contingency, and then wait. Alderman Crawford agreed with Fred.

Mayor Aiello explained that putting \$50,000 into the revaluation can be put on hold. He explained that we need to repair the Times Square entrance to the Municipal Building, and something needs to be done with the building's HVAC system. He explained that he wants the Chief to talk about leasing, but he thinks that's a pertinent way to go. He explained that street resurfacing can go on hold, and the boiler at the fire station can be put on hold for a little while longer. He explained that in terms of concrete and building repairs, there is a big concern regarding stabilizing the parapet at Fire Station 1. He explained that there was a bid of \$16,000 to do the work, and the City received an \$18,000 stimulus check from the government, so he would like to use this to stabilize the parapet before it falls off. He explained that the radio tower would be nice, but we can wait.

Mr. Ring explained that the one project that we've talked about multiple times that is really needed is for the Times Square entrance. He explained that the bids are set to open on the 29<sup>th</sup>. He explained that this is the one project that has to be done for this summer. He explained that if the funding is approved for the parapet, that he already has three prices. He noted that it is only stabilization, but that can be done right away and then there is more time down the road to act on this. He explained that those are really the building maintenance issues that are safety issues. Alderman Gonzalez explained that he would like to see something done so that we can stop talking about it.

Mayor Aiello explained that something needs to be done with the HVAC in the Municipal Building. Mr. Ring explained that the cost came in at more than he thought but it is a State bid company, and that the cost of \$90,000 could be split with \$81,000 coming from the General Fund and Water and Sewer Funds sharing in the rest of the cost. He noted that it is a complicated contract because some metering would be put in to get data analytics. He explained that this is how a lot of grants are going in terms of cost savings.

Mr. Ring explained that the current HVAC system is run by a computer built by Mazza in 2007 and because of the data breach, that program really can't be used anymore. He explained that it got so hot in the building today that he turned the boilers off. He explained that there are 14 zones in the building run by small control panels, and because they are so old and hard to get, Mazza had to find one online when one had to be replaced for a cost of \$6,000. He explained that this is a ticking time bomb to a certain extent.

Mayor Aiello explained that the Franchot Parking lot can wait, and Mr. Ring added that the Main Street project can wait a while. He noted that he was hoping to get this done in the spring before the PSAP grant comes through. Alderman Gonzalez explained that when you say wait you mean that you can possibly wait a month or two and see where everything is going, and Mayor Aiello agreed.

Alderman Gonzalez explained that Franchot Park is in his ward, and that the new parking lot would be fantastic, but it can wait. Alderman Dougherty noted that we don't even know if parks would be open this summer. He asked what \$50,000 would cover, and Mr. Ring explained that the biggest cost is to replace the sidewalk and apron. He noted that he believes that Code Enforcement is now putting in requirements that demolition companies have to replace sidewalks and aprons if they are damaged by them during a demolition. He explained that the cost will also take a couple of trees down and pay for fending. Alderman Gonzalez added that it could be a blacktop parking lot.

Alderman Dougherty explained that he thought that we were going to prep the area so that in 2 or 3 years the project could be done. Alderman Gonzalez explained that his concern is that he doesn't know about engineering, but what if we do that, and then we run into issues where we can't fund the project in a few years and the area turns into a mess. Alderman Dougherty noted that houses were torn down there and questioned if a compaction study is necessary due to the missing basements.

Alderman Witte asked if a drainage system would be needed if a parking lot is put in there. Mr. Ring explained that he didn't plan for drainage, and he planned to put millings in the lot, not asphalt. He explained that asphalt is not good for storm water and runoff in the future.

Alderman Witte asked if the City would need to plow the lot during the winter, and Mayor Aiello responded that he doesn't know. Alderman Witte asked if there will be lights, and Alderman Gonzalez responded that you could probably make an argument that you wouldn't want an abundance of lighting there. HE explained that this is all food for thought, and perhaps we need to take more baby steps.

Mr. Saradin explained that in previous conversations, Mr. Richardson explained that the boiler project is not an emergency, but pretty critical. He explained that he would like the Council to consider this at the top of the list, and Alderman Gonzalez responded that it is almost summer time. Mayor Aiello agreed that we have some time to wait on that project because of the season.

Alderman Anastasia explained that he thought in a previous meeting that the Council agreed to do the boiler project, the parapet and the entrance to the municipal building, and asked if the Council is changing their minds. Alderman Gonzalez responded that we aren't, and Alderman Crawford asked if we would prefer to fund the HVAC instead of the boiler so that we can get moving on it immediately. Alderman Gonzalez explained that we don't have enough to fund those three things in Contingency, and Alderman Crawford explained that you then take funding out of the General Fund. Mr. Saradin agreed that you can use the General Fund Surplus.

Alderman Crawford asked if we don't need the full \$53,000 for parapet repairs, and Mr. Ring responded that we don't. He explained that this cost also includes HVAC and aprons at Central Fire. Mayor Aiello explained that the only immediate need is to get the parapet stabilized.

Alderman DaPolito asked if these numbers include the changes in payroll taxes, and Mr. Saradin explained that the expenses include only the 1.45% that we have to pay. Alderman DaPolito asked if we are setting money aside, and Mr. Saradin responded that we are.

Alderman Witte asked if the concrete work is only \$16,000, and Mr. Ring responded that \$16,500 is the cost for Fire Station 1, and the rest is for projects at Central Fire.

Alderman Gonzalez explained that we all agree to spend \$125,000 to get the Times Square entrance fixed. Mayor Aiello asked when bids are due back for this, and Mr. Ring responded that they are due Friday May 29<sup>th</sup>. Alderman Dougherty asked if the HVAC controls need to be fixed not for heat but for the cooling aspect, and Mr. Ring responded that they do. Alderman Dougherty asked if the room we are in is hooked up to the same system, and Mr. Ring responded that it is. He explained that there is a hot deck and cold deck system plus two boilers that heat hot water for radiators.

Mr. Saradin explained that funding can be taken from Contingency and Fund Balance, and Alderman Gonzalez noted that there is currently \$99,000 in Fund Balance over the 15%. Alderman Gonzalez explained that then down the road in the next month or so, additional projects can be discussed. Alderman Gonzalez explained that this is a working list, but that we should also include \$20,000 for the sidewalk program on the list just to keep an eye on it.

Chief Rowley explained that he wants to point out that the leasing program is not just for police cars. He explained that Fleet Management has met with Enterprise at least three times that he is aware of, and they have given their presentation multiple times. He explained that he has provided a document for the Council to look at, which he put together after one of these meetings. He explained that this program could also be for pickup trucks, other cars, and everything except for the really large vehicles.

Chief Rowley explained that we are able to purchase vehicles at a very good rate because we are a governmental agency. He explained that if we enter into an agreement with Enterprise, that they get the rate, then they lease the vehicles to us. They then take the car back and sell it, take a portion for their fees and to pay for whatever remains in the lease, and the City receives a profit from the sale to apply to the next lease. He explained that this is why Enterprise is in business with governmental entities because of our buying power.

Chief Rowley explained that the City will see a better return on the vehicle when it is turned over, and the cost of maintenance will go down because the vehicle will almost certainly be

sold before the warranty expires. He explained that in the past he knows that Mr. Saradin has called around to other agencies. The Sheriff's office uses this program and they are very happy with it. He explained that it is something that is becoming more and more popular, and more places are leasing their vehicles. He recommends that the City get involved in this.

Alderman Crawford asked how many police cars we have, and Chief Rowley responded that we have 7 marked and 3 unmarked police cars. Alderman Crawford asked if Chief Rowley feels that ten is the right amount, and Chief Rowley responded that there were 11 when he started. He explained that 7 marked cars work very well for the department, and in addition, the investigators have a vehicle, the juvenile officer has a vehicle, and there is a "chief's" vehicle which is also used for training and SWAT. He explained that through the test of time if one is down for whatever reason, the department can't run with the bare minimum because it takes six months to get another vehicle, so the number they have works out well.

Alderman Crawford asked if the unmarked vehicles rack up miles as fast as the patrol cars. Chief Rowley responded that after a marked car is taken out of rotation, it then goes to investigators or to another department. He explained that once the City is finished with a vehicle, it has pretty much no value left. He explained that with Enterprise, the Council would see the vehicles turn over quicker, and the City would get a value out of the vehicles.

Alderman Witte asked if we followed up to see if we could piggy back with the Sheriff's department, and Mayor Aiello explained that he contacted Jack Searles, who is not going to back him.

Chief Rowley explained that he sat through two or three presentations from Enterprise, and he explained that this is somewhat of a commitment. He explained that once the City gets into the leasing program. It may be harder to get out of. He explained that he has provided very accurate information regarding the program to the Council, which breaks down exactly how it works.

Mr. Rowley explained that police cars work differently because of the cost of upfitting. He explained that he would suggest that we keep doing the upfitting rather than have Enterprise perform this service so that we don't have to pay them interest costs for the upfitting. He explained that he has included both numbers in the handout he presented to the Aldermen. He noted that you can see where this is a benefit to the City.

Mr. Saradin explained that he has spoken with Enterprise's references, and he hasn't heard anything negative. Alderman Anastasia explained that he has never been a fan of leasing, and since we can get a really good price on things and have a fleet mechanic, he feels that we should continue to purchase vehicles at state bid and do with them as we please. He questioned what would happen if we put so many miles on a vehicle, and asked how many

miles we use per year. Chief Rowley explained that right now he has two cars that are three to three and a half years old, and they have over 100,000 miles on them.

Alderman Gonzalez explained that he feels that these leases aren't the same as commercial leases for a private individual. He asked if there is a mileage restriction per year, and Chief Rowley explained that there is not. He explained that the company monitors what is being sold around the county, and if they see that something you have is at its optimum time to sell, that they will contact you, sell the vehicle, and apply our portion towards a new vehicle, which reduces the payment. Alderman Gonzalez asked if we are outsourcing Fleet Management to a certain degree, and Chief Rowley responded that we are.

Alderman Witte asked if Sheriff Whitcomb said anything about negatives associated with the program, and Chief Rowley explained that he had nothing negative to say. He explained that before they participated in the program deputies would have to share vehicles, and now that they participate each deputy has their own vehicle.

Alderman Gonzalez asked how hard it is to get out of the program if the City tries it, but does not like it. Chief Rowley explained that the City would have to complete the lease on the vehicles that they are currently leasing or buy out the leases, and then purchase new replacement vehicles. He explained that it is not like a rent to own like the City does on some of their heavy equipment. He explained that it's not unlike a regular lease, but with a regular lease you don't get anything when you turn in the vehicle. He explained that in this lease, the City is getting money back when a vehicle is turned in. Alderman Crawford explained that it is like building equity in the vehicle.

Chief Rowley explained that if we have not paid off the car by making payments, then they take the difference between what the City paid and what they owe, and then take off the service fee, and the City gets the rest. He explained that this is a very complicated thing, and he had gone through the presentation a couple of times to digest what the sales pitch was. He explained that he didn't initially understand where the bottom line was, but now he knows.

Alderman Gonzalez asked what he would do if it was his decision, and Chief Rowley explained that what he worked up for the Council should answer most of their questions. He explained that this is what he got from the meeting based on his research, and it's good for the City, but there are issues. What is all of a sudden the City has thirty leased vehicles but doesn't want to do it anymore? However, based on who he has spoken to, the City wouldn't want to opt out of the program. Mr. Saradin recommended starting on a very small scale.

Chief Rowley suggested that the Aldermen take the document presented and take a look at it to see what they think. He explained that in the six years that he has been Chief, he has asked for

cars every single year and it is always taken from the budget, and cars are always purchased with Contingency funding. HE explained that this isn't happening this year.

Alderman Crawford explained that he is trying to wrap his head around what the annual cost is, if the City goes in this direction and eventually leases ten police cars per year. Chief Rowley explained that he has provided all of the numbers for the Council. He explained that what is difficult is not knowing the future revenue, and you can't put a dollar figure on how much you are saving by not doing excessive maintenance in the City Garage. Alderman Crawford asked what the worst case scenario is if the City leases ten vehicles, and Chief Rowley explained that it is hard to say because you don't know the revenue that you are getting until vehicles are sold. Chief Rowley again recommended that we don't have Enterprise upfit the vehicles, as they will probably go to the same place that we do and then charge us more.

Alderman Dougherty asked what we would do if they say after a year that we have a new car, and Chief Rowley explained that some of the upfitting can be moved from one vehicle to the next, but only if they are the same kind of car. He noted that the City Garage doesn't have the technical ability to upfit cars, and that it is very tricky. He explained that the vehicles are taken to Niagara Falls to have upfitting done where someone is specially trained.

Alderman DaPolito asked if the City has a choice in the model of the vehicles for the lease, and Chief Rowley explained that he stopped using Chevy's because we always had a lot of problems with them. He explained that Ford was great but they stopped making them, so Dodge Chargers are the only option left unless the Council wanted to go with Chevy Tahoes, which he did not feel that the Council would want to do. He explained that we can buy whatever we want and they'll provide what we want to buy.

Alderman Witte asked if the State Troopers lease their vehicles, and Mayor Aiello responded that they do not. Chief Rowley explained that the program is less likely to be beneficial to troopers and sheriffs because they put twice as many miles on their vehicles in half the time, and we don't put any miles on our vehicles.

Alderman Crawford explained that he thinks that there is an upside. Alderman Gonzalez explained that in reality, we are spending the money each year anyway, so we might as well put it in the budget, and get new vehicles. Mayor Aiello explained that he thinks that we should try this out, budget for it, and see where it goes. If we like the program then we can move on to other vehicles.

Alderman Panus asked if Enterprise gave any sort of criteria that was given as to when vehicles are pulled, such as miles or age. Chief Rowley explained that they monitor the market and know what vehicles are hot, what they need and where they need them. He explained that they are in business to make money, but when they make money we will be making some money back



too. Alderman Panus asked if this is not definitive, and Chief Rowley replied no. He explained that he does not have details about some things, and he does not have the final contract. He explained that he is just giving a basic rundown.

Alderman Panus explained that it's his two cents and his gut tells him that if we put a lot of miles on a vehicle fast that this makes sense, but if we don't put a ton of miles on a vehicle then we could lose out. He explained that we should track numbers right from the beginning to see if we are saving or not.

Chief Rowley explained that he was provided a list of places that are using the service, such as Bonas Security, who spends all day driving around campus. He explained that everyone is in favor of this program, whether they put a lot or few miles on their vehicles. He explained that there must be something to this or they wouldn't be doing it. Alderman Crawford explained that there is something to be said about having a vehicle maybe that we have bought and paid for, and keeping it for 15 years or whatever. Alderman Gonzalez explained perhaps for Mr. Shewairy to drive back and forth to the recreation center, and Alderman Crawford replied yes.

Mayor Aiello explained that he will reach out to Enterprise to get some firm figures. He explained that he is not going to ask for a firm commitment but rather for new, current numbers, and he may ask the Council for money to get started.

#### 4. Executive Session

A motion to enter into executive session to discuss personnel issues was made by Alderman Gonzalez, seconded by Alderman Witte. Voice vote, ayes all. Motion carried. Executive session began at approximately 7:40 p.m.

A motion to adjourn from executive session was made by Alderman Gonzalez, seconded by Alderman DaPolito. Voice vote, ayes all. Motion carried. Executive session adjourned at approximately 7:55 p.m.

#### 5. Approval of Committee Reports

None

#### 6. Adjournment

A motion to adjourn was made by Alderman Gonzalez, seconded by Alderman Witte. Voice vote, ayes all. Motion carried. Meeting adjourned at approximately 7:55 p.m.