

Meeting of the Olean Urban Renewal Agency
Wednesday, September 16, 2020
8:30 a.m.
Room 119 – Olean Municipal Building

Attendance: Members – Chairman Charles Corcoran, Vice Chairman John Ash, Deanna Foster, Earl McElfresh, and Mayor Aiello. Staff - Keri Kerper, Community Development Program Coordinator, Jack Hart, Attorney, and Michiko McElfresh, Mayor's Secretary. Others: Ed Bysiek, CPA

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 Paul Gonzalez, who was excused.

2. New Business

i. Audit Presentation

Mr. Corcoran asked Mr. Bysiek to give the Audit Report. Mr. Bysiek passed the reports out to the attending members and staff. He said that he would take participants through page by page to show them where the agency stood fiscally through June 30, 2020.

Mr. Bysiek drew attention to the Independent Auditors Report Page and wanted to highlight the opinion paragraph which states that his firm is issuing a clean opinion; which means that the financial statements are accurate and reliable to whomever needs to review them, both internally and externally. It is the same opinion that the agency has received in the past.

Mr. Bysiek asked members to turn to page 5, the Statement of Net Position. He said that you might call this a balance sheet and it compares two years. He went through line-by-line. He said that the Cash and Cash Equivalents Line Item (\$276,006) is the amount that the Agency has on deposit in the bank. He said that cash flow is pretty good as of 6/30/2020. He said that there is a new line called Grants Receivable (\$21,460) on the Statement, and added that that represents expenditures that were incurred through June 30th related to the building condition survey for which the agency expects reimbursement either from Empire State Development or NYS Parks and Recreation.

Mr. Bysiek stated that the Property Held for Sale (\$509,727) includes the original purchase cost of the Manufacturers' Hanover Building as well as roughly \$100,000 or so of acreage on Constitution Avenue that the URA actively holds for sale. He added that these two properties are distinguished from Land (\$224,100) which is also land owned by the URA but is leased out to Cytec and National Grid. While sale is possible, it is deemed unlikely that they will be sold.

Mr. Bysiek moved to the liability side and said that the Contractual Fee Payable (\$19,680) represents an agreement between the City and the URA at the time that the properties were deeded to the Agency: when the properties are sold 20 percent of the proceeds are to be remitted back to

the City. This amount has been the estimate of what may be passed back to the City when all the properties are sold.

Ms. Kerper confirmed with Mr. Bysiek that the \$19,680 is strictly Constitution Avenue, not the Marra or North Union Street Buildings. Mr. Bysiek agreed.

Mr. Bysiek stated that the overall net position increased by about \$30,000 which he said will segue into the next page.

On the Statement of Revenues, Expenses and Changes in Net Position, Mr. Biesek said that the change in net position (\$30,574) represents the total of revenues less expenses. He added that Lease and Rentals were basically unchanged. And he said that he expects the new number Grant Revenue (\$21,460), to increase substantially over the next year. He explained that when accounting for the Grant Revenue accountants attempt to show the revenue and expenses at the same time—whatever time they occurred—even if the Agency was still waiting for the money. This statement was completed as of June 30, 2020, that is why the statements show the small piece of reimbursable revenue in 2020. He expects that next year it will be well into the hundreds of thousands of dollars. Ms. Kerper said that it will be \$700,000. Mr. Bysiek said that there will be a substantial increase in revenues as well as expenses. Therefore there will be huge spikes on the line items, but not on the bottom line unless the Agency is paying for a substantial portion of the costs.

Mr. Bysiek said that there is not much to report from the Cash Flow prospective, but drew attention to the Net Change in Cash (\$9,114) and stated that that was the amount that the bank account increased. He said that cash flow is pretty good and he thinks it will continue to be so, assuming that the URA continues to get the reimbursements from ESD and NYS Parks and Recreation in a timely manner without significant delays.

Mr. Bysiek added that the next pages of the report are the footnotes and the required disclosures. On page 9, Note 2 discloses specific details and further information regarding the numbers presented in the financial statements.

Mr. Bysiek said that the last three pages of the report discuss the internal controls that the Agency has in place. He said that his firm looked at the procedures for handling bank deposits, writing checks, and making sure that there is an adequate system of checks and balances in place. He said that there are no audit report findings.

In conclusion, Mr. Bysiek said that the Agency has a clean audit and no audit findings. He said that from an audit prospective this is a very successful report.

There were no questions.

A motion to approve the Audit Report ending June 30, 2020 was made by Mr. McElfresh, seconded by Mr. Ash. Voice vote, ayes all. Motion carried.

3. Reading & Approval of the June 15, 2020 special meeting minutes

A motion to approve the 8/10/2020 special meeting minutes, 8/19/2020 audit, finance & governance committee meeting minutes & 8/19/2020 regular meeting minutes was made by Mr. McElfresh, seconded by Mr. Ash. Voice vote, ayes all. Motion carried.

4. August Financials

Ms. Kerper stated that the August Financials were not completed because of the grants. She said that she was reviewing the financials with the bookkeeper yesterday and they wanted to ask Mr. Bysiek a question on how to classify it. They did not get their answer in time to submit the Financials. The financials will be available next month.

5. Old Business

i. Approval of Annual Report for Olean Renewal Agency, Fiscal Year Ended June 30, 2020

Ms. Kerper said that the members will find the URA Annual Report for the year end June 30, 2020 in their packet. She said that she has to prepare this document and submit to the Authority's Budget Office on behalf of the URA for the PARIS reporting. She said that it summarizes the Audit Report and that she uploads it into the reporting system to keep the URA in compliance.

A motion to approve and accept the Annual Report for the Olean Urban Renewal Agency, Fiscal Year Ended June 30, 2020 was made by Mayor Aiello and seconded by Deanna Foster Voice vote, ayes all. Motion carried.

ii. Updated Form E

Ms. Kerper advised that in the packet the members will find Form E which shows the expenditures to date on the Parapet Stabilization Project on the Manufacturers' Hanover Building. The expenditures to date are \$326,495.87, which includes the bill that will be passed today. So there is still a balance to spend on the project of \$407,504.13. Mr. Corcoran asked if the bond counsel and the fiscal coordination were reimbursable expenses. Ms. Kerper said that that were not reimbursable. She said that the total between Hodgson Russ (HR) and Municipal Solutions is \$24,000 based on the contract that they entered into (\$15,000 for HR and \$9,000 for Municipal Solutions. She said that JSA received the other \$10,000, which is included in the total.

Mr. Hart asked if this included any reimbursable under the LDA. Ms. Kerper said that this was just the construction project and the financing of it. Ms. Kerper said that this document was put into the packages for information only and that she will continue to update it.

iii. Manufacturers Hanover Stabilization Project

Regarding the construction project, Ms. Kerper said that they are continuing to work on the metal stud drawings and they are expected to be completed as well as the FRP drawings on or about

November 8, 2020. Ms. Kerper said that she called SHPO and spoke to the director, Julian Adams yesterday. He has signed off the Agency's request for the change of scope for the roofing. She then called representatives at NYS Parks and Rec. who also need to sign off to allow the Agency to mobilize their contractors. She has called and e-mailed and will follow-up again. Ms. Kerper included a representative from R. E. Kelley and Savarino in the e-mail chain so everyone will know simultaneously when they can mobilize.

Ms. Kerper explained that they are waiting on a crane plan from Paramount Roofing, the contractor for the roof. As soon as she gets it she will take it to Mayor Aiello, Code Enforcement and DPW for sign-off. She said the crane should be on sight for three days and the roof work should take about three weeks.

Mr. McElfresh asked if there will be a new name for the Manufacturers' Hanover. Ms. Kerper said that it is no longer up to the Agency; however, Savarino indicated that they will name it First National.

Ms. Foster asked about completion time. She asked that if it takes three weeks to complete, when they will get on site. Ms. Kerper said that they hoped that they would be site within the next week.

Mr. Corcoran asked if they were ready to start construction. Ms. Kerper said that they are ready to mobilize, she said that the owner of Paramount needed to come to Olean to do some measurements in the work zone so he could get his crane plan in place. She said that during their construction Zoom meetings, they have been proceeding as if they had the approval so as to not slow anything down.

iv. Land Disposition Agreement

Ms. Kerper passed around a document for viewing and Mr. Hart described it as the Land Disposition Agreement (LDA). He said that at the last meeting he advised the agency that he had provided a final draft, from his prospective, of the LDA to Savarino Companies and that he and Ms. Kerper had signed off on his draft. They agreed that Savarino Companies would revise the document. Savarino shared the LDA and Deed, which Mr. Hart also drafted, with its legal counsel who provided additional language that would protect Savarino.

Mr. Hart said it is a change in the language, though not in the intent, basically stating that in the event that the URA takes the property back, the URA would be subject to a mortgage. He said that Savarino made it double clear that the Agency, in that scenario, would be subject to any mortgage that Savarino may have. There were also some minor revisions such as typos. Mr. Hart said that for the most part Savarino came back with an agreement that is signed off and the LDA can be signed. He said that from his recollection, authority has been given to them to approve minor and insubstantial changes, which is what they found these to be. He would like the URA to authorize the document to be signed today. Not the deed – only the LDA. Mr. Hart is confident that the URA is now in a contract to sell the buildings (First National Bank Building and 107 North Union Street).

Ms. Kerper agreed and said that Savarino will owe the deposits on both, which is outlined in the LDA. Ms. Kerper advised that she had reached out to the neighboring property owners because in the back, there is a 10 foot section that will be deeded to Saravino Companies. They forwarded the deed to the Jeff Belt, who reviewed it and made a suggestion. Ms. Kerper met with Craig DiCola at Armond's and Greg Buckley at Creative Mailing. She gave them an update on the project and explained that the land, which is directly behind their buildings will be sold to Savarino and they will no longer be able to park there. She said that they were okay with it and were gracious to still be allowed access to the rear of their buildings. She reiterated that the way Mr. Hart crafted the deed, they will continue to have access to their back doors, and the access will be conveyed if they sell their buildings. Ms. Kerper provided them a copy of the deed, Savarino's contact information, and a copy of the survey for their records. She said that they were thankful. She said that she and Mr. Hart wanted to make sure that before the LDA was signed that all the neighbors were advised of the pending change.

Mr. Hart said that they were initially under the impression that Savarino was not going to take the property and that they were planning for that eventuality, but Savarino did decide he wants it, and they adjusted. Ms. Kerper said that this was the best way that it could work out and Ms. Foster agreed that the URA wouldn't want a 10 foot parcel of land.

A motion to approve the finalized Land Disposition Agreement with Savarino Companies and authorization to sign the agreement was made by Mr. Ash, seconded by Mr. McElfresh. Voice vote, ayes all. Motion carried.

Mayor Aiello said that this is historic and the members of the URA agreed as Mr. Corcoran signed the LDA.

6. Bills

i. National Grid (107 NUS)	\$ 46.21
ii. National Grid (101 NUS)	\$ 23.00
iii. Bysiek CPA, PLLC (for audit services)	\$ 3,250.00
iv. FedEx (for closing documents)	\$ 50.71
v. E&M Engineers and Surveyors (for change orders, flag pole, AT&T)	\$ 1,938.75
vi. Raymond E. Kelley (for work performed for the month)	\$130,069.25
vii. Emtan Field Services (Mowing for May through Sept (5 Months))	\$ 457.50/month
viii. Tyco Johnson Control Security Solutions	\$ 175.41
ix. E&M Engineers and Surveyors	\$ 270.00

Ms. Kerper explained that they have asked Emtan Field Service to provide a bill each month the lawn mowing service, however they were sent all at once.

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

Mayor Aiello referenced the dry year and asked if Ms. Kerper knew if the URA properties were actually mowed. She said that she followed-up throughout the summer and the contractor has done a great job. She said that they did not receive any complaints this year, which is a good sign.

Mr. Hart asked if there was any reason why the agency owns this land. Ms. Kerper noted there are two parcels: land behind Country Fair and on Constitution Avenue. Ms. Foster asked if the property was located by a residential area. Ms. Kerper confirmed that residential property is surrounding the Country Fair parcel. There was a discussion about the viability of disposing of that land.

7. Next Meeting Date

The next meeting of the Olean Urban Renewal Agency was tentatively scheduled for Wednesday, October 21, 2020 at 8:30 a.m. in room 119 of the Olean Municipal Building.

8. Adjournment

A motion to adjourn was made by Mr. Ash, seconded by Mayor Aiello. Voice vote, ayes all. Motion carried. Meeting adjourned at 9:03 a.m.