

STATE OF THE CITY ADDRESS
OLEAN, NY
JANUARY 4, 2016
WILLIAM J. AIELLO, MAYOR

Welcome Rev. LaMont A. Higginbottom, my wife Patty, my family and friends, Boy Scout Troop #621, members of the media, members of the Common Council, our Department Heads and City Employees. Most of all, welcome to you in the audience here in the Council Chambers and those of you who are watching at home.

We also have a few honored guests here tonight, including Judge Daniel Palumbo, Former Mayor William Quinlan, Cattaraugus County Legislator Jim Snyder and Jeff Andreano, Principal of Olean High School. I would also like to recognize my granddaughters, Sophia and Hannah who are celebrating their 15th birthday today.

Over the past two years it has been my pleasure to work with—and I stress *with*—the Common Council. I have been blessed to have individuals, who as Alderman, are here to do what is best for not only their constituents, but also for the City of Olean. I look forward to working with them in 2016 to continue the revitalization of Olean.

Everybody knows—and certainly I do—how hard it is to get everybody to agree about anything. But I think we can all agree about one thing tonight—IT’S BEEN QUITE A YEAR IN Olean, New York 14760.

And I think that we can agree about one other thing—that there is an excitement and enthusiasm, energy and optimism that our city hasn’t seen and felt in a long, long time.

So I’d like to review the highlights of this truly remarkable year—a year that saw people smiling broadly as they drove on North Union Street—when was the last time you saw that?

A year that saw hundreds of people cheering with delight as a shipment from Dresser Rand made the turn from Wayne Street through that first roundabout and started for the Port of Albany along North Union Street.

A year that saw thousands of people cheering the Olean Oilers on to their League Championship in Bradner Stadium.

A year that saw a Water Policy put into effect and monthly water billing become a reality—a very helpful change for household budgets.

A year that saw volunteers transform our community. Groups such as Lila Ervay and Casey Jones' City of Olean Neighborhood Preservation Committee, Kathy Patchiorkowski's Revitalizing Olean, as well as students from the Olean Intermediate Middle School and employees from local businesses, who picked-up litter, planted flowers and cleaned-up empty store fronts

And it was a year that saw the early results of the North Union Street, Walkable Olean Project. A project that began in September 2011 when Jeff Belt of SolEpoxy commissioned Chuck Banas to prepare *Walkable Olean: A Vision for North Union Street*.

A year later on October 15, 2012, Dan Burden of the Walkable Liveable Community Institute walked North Union Street with the prior administration and other community leaders. Following the walk he met with approximately 100 City Officials, entrepreneurs, and residents.

The project moved forward....On November 15, 2012, the Common Council approved the contract with Hatch Mott McDonald to provide consulting services for the North Union Streetscape Project.

On May 29, 2013 the Common Council agreed to allow the City to apply for the Tiger Grant.

And on September 5, 2013 the City was notified that it had received a \$6.5 million dollar Tiger Grant.

On March 19, 2014, plans were unveiled for the North Union Street project and on August 13, 2014 the bids were opened and the project was awarded to Catco Construction Company.

On September 16, 2014 the Groundbreaking Ceremony took place, and on December 11, 2014 Olean received an additional \$865,000 in a State Grant for Green initiatives on North Union Street.

Construction on the Sullivan Street to Main Street segment started in March and continued through November. When the detour signs were removed, three of the five roundabouts were completed.

As of today the North Union Street project is halfway done and even some the most vocal critics of the project, have stopped-by my office and admitted that maybe they were wrong. In fact one person mentioned that he travelled south on North Union Street and was disappointed when he hit the light at the Sullivan intersection.

I must thank the North Union Street businesses who withstood the months of construction, and our residents who ventured through the construction project to support the businesses.

I also want to especially thank Wendy's, CVS, and the VA Clinic for providing parking space in their lots to help out their neighboring businesses that did not have accessible parking during the project. What a great show of community spirit and support for their fellow businesses.

Although roadwork subsided for the winter, we continue to see a renewed interest in development in our business district. The old Bradner's building is taking on a new look and will open as an Italian Restaurant in the near future and a developer is taking on the challenge of preserving the old--and historic--JoJo's building.

In addition, during the past year the City received some news for the business district: a section of West State and North Union Street is now listed on both the New York State and National Register of Historical Places--this is great news for our community. This listing recognizes the historic importance of the properties, provides them with a measure of protection, and provides income tax benefits to the owners and developers of the properties.

The future looks bright for our business district—and about the lighting—the new lights for the north end of street are on backorder and will be installed as soon as they arrive. I promise--the street will shine.

That said, let's move on to City Operations...

The City's departments continue to run well and I would like to give a quick highlight of each department:

Audit

The General Fund ended the 2015 fiscal year with a fund balance of approximately \$3.3 million. The Water and Sewer Fund ended the year with a fund balance of over \$629,000 and \$1.6 million, respectively. These fund balances exceed the levels suggested by the New York State Comptroller's Office.

The City of Olean received an unmodified audit report in accordance with Generally Accepted Accounting Principles (GAAP), with no compliance issues with regard to NY State or Federal Grants and laws.

Our property tax increase—held steady—at zero percent. And that's all good news, but...

All municipalities in our state have challenges and Olean is no exception. We have to live within the Tax Cap and this year that means we are bound to a .12 percent tax increase or if you prefer a dollar translation---raising the tax levy \$7,000.

But simultaneously we are hit with rising insurance costs, this year we anticipate a 12 percent increase or \$150,000. In addition, we will have to pay the debt service on the \$23 million dollar

Waste Water Treatment project; save up for another complete property revaluation; and plan to borrow over \$1 million for the Rec. Center repairs. In addition all four of the City's union contracts are in negotiations.

Finally, have you seen the City Garage? It is in desperate need of replacement; and funding such a project will be problematical.

Unfortunately, with all these items on our horizon, we see no increase in state funding such as Aid and Incentive for Municipalities. With all of these fiscal challenges the city faces, we will have to look at every avenue to tighten our belts, try to maintain services, and increase revenues.

Youth and Recreation

The Youth Bureau & Recreation Department implemented diversified activities and positive program development. The summer youth recreation program enjoyed the highest participation in many years with a registration of 463 children. Archery, tennis, dance, martial arts, basketball, crafts, golf, bowling and an Olean Oilers baseball clinic were a few of the many activities enjoyed by the children. Over 100 children participated in the swim lessons and hundreds more attended public swimming at the William O. Smith Recreation Center and Franchot municipal pools.

Annual special events such as the Easter egg hunt; youth fishing derby, youth track meet and the annual Kids Day/Charity Carnival attracted a large number of participants. The event raised over \$1,200 for the memorial scholarship fund.

The William O. Smith Recreation Center hosted the Enchanted Mountain Roller Derby and the girl's summer high school basketball leagues.

The 10 week summer concert series at Lincoln Park attracted over 1,000 residents of all ages and the 40th annual City Cup softball tournament drew 35 teams with over 400 participants.

During the fall/winter seasons the William O. Smith Recreation center ice skating rink attracted thousands participants throughout the season. "The 12 Ice Skating Days of Christmas" was very successful as hundreds of children enjoyed free public ice skating sessions through the generosity and sponsorship of many community businesses and organizations. The Olean Area Youth Hockey Association, the Olean Area High School Hockey Team, St. Bonaventure University hockey team and the men's hockey leagues enjoyed strong programs and continued growth in participation. The ice rink also scheduled many school and birthday ice skating parties throughout the season. The recreation center ice rink and pool generated over \$200,000.00 in revenue in 2015.

The St. John's Youth Center celebrated the 20th anniversary in 2015—hundreds of students participated in the wide-variety of recreational activities, special events and the after school program... In addition over 100 children participated in the grades 4 – 6 youth basketball season this past winter.

The Olean Area Youth Court continued to be a highly successful juvenile delinquency intervention/prevention program for first time youth offenders ages 7 – 15. The Olean Area Youth Court also provided an excellent learning experience for the high school members responsible for hearing the individual cases and making sound, appropriate decisions.

In June of 2015, the department took over the operation of the senior programs at the request of the Senior League who contacted the City. In prior years the City would give the Senior League funding for the programs and to hire the director. This new arrangement has worked out very well for both the City and for our Seniors who frequent the John J. Ash Community Building.

DPW

Streets

This summer after the snow melted and the pot holes were fixed, the City's Streets Division paved 12 unimproved streets. This makes a total of 38 unimproved streets that the department has reclaimed in the past two years.

In addition the department, with the help of the County, milled and paved 11 streets and re-bricked one street.

Water

It was a very busy year for the Water Administrative and Distribution department. Not only was the department instrumental in the switch to monthly billing, but the staff completed 917 occupant changes, 84 meter changes, and thawed 75 frozen meters. Staff members connected 106 meters, disconnected 172 meters; and they did the daily service work that includes meter checks, as well as leak detection and usage reports.

The city has over 125 miles of water lines throughout the City and over the past year the water distribution department had to repair 22 water main breaks and 19 service line breaks. The department replaced 8 service lines, 25 curb stops, 6 water main valves and 4 fire hydrants. They repaired 7 water main valves, 20 valve boxes, 112 street boxes and 4 fire hydrants. In addition the department disconnected 8 service lines, made 9 water main taps, thawed 61 service lines, completed 704 underground locates, flushed 813 fire hydrants and installed 820

feet of new water main. The department also assisted Cattco and Zoladz as the two construction companies worked on Olean's streets.

During the twelve month period ended on November 3, 2015, the Water Filtration department produced 1.21 billion gallons of water. The filtration plant produced 502 million gallons and the three wells produced the balance.

The City continues to account for the millions of gallons of water that are listed as "unaccounted for" in the annual water report. Water meters have been installed on all of the City owned facilities. Judging from the water main break on December 23rd, these occurrences might be a major culprit in our unaccounted water. To relieve the pressure, and fix the break, the department had to open four hydrants for several hours.

Airport

The new T-hangar at the Cattaraugus County Olean Municipal Airport was completed early in the year and is fully occupied. The old t-hangar is occupied at 80 percent capacity and the airport has 5 renters in the main hangar, including the newest addition L.C. Whitford Co. with two planes. Between January and the end of October the airport logged 618 flights and between the first of the year and the end of November the airport sold fuel totaling over \$112,000. The tree removal in the Obstruction Removal project was completed during 2015.

With the help of the Olean Airport Support Group, the airport hosted numerous events during 2015 including the STARS rally in July, the Acrobatic Competition in August, and the Fly in Breakfast in September. The National Guard used the airport to fuel 3 Black Hawks in a training exercise called "Hot Fueling" and a number of students have toured the facility.

Wastewater Treatment Plant

In August construction started on the long over-due upgrades at the Waste Water Treatment Plant. When the bids came in, they were much higher than we had anticipated. But we did get some favorable news regarding the project during the year.

In January the City received notification that it was eligible, through the Environmental Facilities Corporation, of an \$18 million dollar interest free 30 year loan. This interest free loan will save our taxpayers approximately \$5 million in interest over the life of the loan.

And in December the City received notice that it had received a \$4.7 million dollar grant under the New York State Water Infrastructure Improvement Act of 2015.

Shared Services

During the year Olean has assisted and/or has been assisted by the following communities and jurisdictions:

- Cattaraugus County Highway Department
- Town of Olean
- Town of Allegany

Assessor

Long time City Assessor, Nancy Champlin, retired in July and Gregg Piechota will take the position of City Assessor.

Our equalization rate has, unfortunately dropped down to 95 percent and we will have to work to get that back to 100 percent. During the year 420 deeds were recorded.

Clerk

The Clerk's office was instrumental in the switch from quarterly to monthly billing for water and sewer. In an effort to reduce the need to pay in person or by mail, the department offered a number of new payment options—all of which have seen an increase in use. The bank draft customers have more than doubled from 350 to over 700. The online payments have increased from about 350 to over 750, and about 300 customers use our white mail box to drop off monthly payments. As a reminder, the white mail box was a suggestion from a resident. If residents have any suggestions that might help the City become more efficient, please stop by my office and let me know your idea.

Fire Department

When I took Office two years ago, the Collective Bargaining Agreement between the City of Olean and Olean Professional Fire Fighters Association had expired as of May 31st, 2011. Negotiations between the City and the Fire Fighters Association had broken down and they had filed for Interest Arbitration for 2011 and 2012. At this time we are still waiting for the Arbitrator to rule on the 2011 and 2012 contract years.

In October of 2015 the City and the Fire Fighters Association were able to agree on terms and a settlement was reached for June 1st, 2013 through May 31st, 2016.

During the past year, the Olean Fire Department responded to 17 structural fires, 6 of which were fully involved. In addition the department responded to 38 other fires, 3 over pressure ruptures and 73 hazardous conditions, such as gas leaks and downed power lines. The EMS Ambulance responded to 2,399 calls. The department also responded to 350 Service Calls, 156 good intent calls, 232 false alarms and 7 Citizen Complaints.

The Olean Fire Department will be adding a New Ladder Truck with a platform to its fleet in the very near future. This vehicle is also a pumper, which eliminates the need to have an additional pumper at the scene of a fire.

Code Enforcement

The Code Enforcement Office issued 180 new construction permits for a total of \$5.1 million in building projects, an increase of 13% over the 2014 figure. In addition the office received 6,000 phone calls and 1,680 walk-ins.

Codes Enforcement received 977 complaints, 39 percent of which were snow and grass complaints. Ninety-one percent of the complaints received by the Code Enforcement Office have been closed. The office has continued to be more pro-active and during 2015 the office issued 125 orders to remedy and 21 tickets.

Police Department

During 2015 the Olean Police Department had 15,321 calls or blotter events which led to 2,599 incident/case reports. There were 587 arrests, and the street crimes unit made an addition 114 drug arrests. The department made 83 warrant arrests and 72 DWI arrests. There were a total of 445 motor vehicle accidents, up from last year's total of 329, but only one accident has occurred on our new roundabouts. The department has issued 2,256 traffic violations and 4,644 parking violations.

The Olean Police Department purchased a new modular for their record keeping system. The new software is an addition to our existing records management software for the Police Department and the Dispatching software. It now enables the patrol officer to access all of our records management software in the car, out on the street. Also an officer can not only run DMV checks, but he or she can do accident reports, check orders of protection, and review mug shot photos for identification purposes. Sex offender information and safety warnings are also part of the system. It utilizes the Mobil Data Terminal's in the patrol cars. Also embedded in the software is the GPS piece which allows officers and dispatchers to see where all the vehicles are located in real time. This improves officer safety, increased response time to calls, and a more efficient way to dispatch calls for service. GPS units have also been placed in the City Code Enforcement Vehicles. In addition some units will be placed on selected DPW vehicles soon. This will give us a tool that enables us to see our assets and better utilize them in the event of an emergency.

Community Development

The new optimism that is building in Olean starts in an office on the second floor that is staffed by two women. Their skill in writing and administering grants is extraordinary. And their efforts have brought funding to many of Olean's well established business as well as many of our new ventures. They have secured funds to save our old architectural gems, to develop our long abandoned brownfields and to explore the recreational possibilities of our region's most underutilized asset, the Allegheny River. And that is just the beginning.

This year at the New York State Economic Development Council Awards, the City received \$920,000 to revamp the William O. Smith Recreation Center and fix the ice floor. The City also received a \$160,000 grant to restore North Third Street. In addition, the Olean Business Development Corporation received \$300,000 to stabilize and renovate buildings in downtown Olean in a Main Street Grant.

During 2015 Community Development made downtown improvement loans to: Fox Financial, Southern Tier Reality, the Paper Factory, Cabinet World, East State Wine and Spirits and Neighborhood School of Dance.

In addition Community Development worked to get Olean's Northwest quadrant, an approximately 904 acre area, a Brownfield Area designation, one of 11 new designations statewide. This designation will foster economic growth in terms of new businesses, jobs and an expanded tax base. It will also enhance the gateway link between the Interstate 86 corridor and City's central business district. As a result of this new designation, the 48 potential brownfield sites within the area will have opportunities for increased tax incentives.

The City has already seen the results:

- BQ Energy purchased a brownfield parcel on Homer Street and plans to build a solar energy generating facility that will generate 4 megawatts of electricity.
- The Krog Corporation will redevelop three parcels into a hotel and retail area, construction of which will start soon.

Olean was also able to take advantage of funding awarded several years ago under the Restore New York Program. The funding was used for demolition work and infrastructure improvements to the 3 parcels off Buffalo Street owned by Olean Gateway LLC.

Community Development worked with Chuck Banas Design to implement the Downtown Olean Formed Based Zoning Code. This Code will ensure that Olean's downtown will continue to attain the economic, social and environment benefits of a Walkable Downtown.

As for other buildings in the business district, the Olean Urban Renewal Agency entered into a Land Disposition Agreement with Sunny Olean, LLC for the purchase of 110-116 West State

Street. This is expected to be a \$1.5 million renovation of both buildings for mixed use including upper floor housing. Funding under the Stabilization Program via the Main Street Grant will be used for environmental remediation activities at these sites and the former Manufacturers Hanover Building.

Last year I mentioned that Jamestown Community College and Greater Olean Chamber of Commerce made new commitments to Olean's downtown. Take a ride down North Barry Street and you will see JCC's new structure, the Manufacturing Technology Institute, nearing completion. And on North Union Street at the former OBI building, you will see construction workers converting one of the City's nicest buildings into the Olean Business Incubator.

Businesses throughout the City are investing in their properties. Community Bank recently took down the scaffolding on their North Union Street Building. The exterior work was a 5 phase project with a focus on repair of aged steel, brick and terra cotta. The project cost several million dollars and could be viewed as normal maintenance of an aged structure. Additional work could include window replacement etc. Park Centre Development completely renovated the façade of the West State Street Plaza and MJ Painting is in the process of upgrading their facility on Homer Street.

During the upcoming year, I look forward to working with the newly formed Olean Business Development Corporation and help them achieve their three strategic goals:

- Overseeing the growth and development of downtown Olean and beyond;
- Providing leadership for new and existing businesses; and
- Implementing key initiatives of the Downtown Revitalization /Market Study.

Last year I formed an internal Blight Task Force made up of myself, the Council President, the City Attorney, the department heads, and other staff members. The group has worked together to tackle the problems afflicting our neighborhoods. We have changed local laws to help us contend with these problems and have analyzed why blight has crept into our neighborhoods. We target individual properties as well as the overall problem. Unfortunately, often times the source of the blight is beyond the City's control, it stems from State laws or ownership issues. But when I get discouraged, and think that the blight problem is overwhelming and insurmountable, I think about Bradner Stadium...

Bradner Stadium was dilapidated. It took the steadfastness of three administrations and numerous common councils to overhaul the facility. With the help of the Cattaraugus County Legislature, Senator Catharine Young, the OLDC, the American Legion, JR Bennion, Brian O'Connell, and the City's dedicated staff, the Stadium now boasts a field house, storage areas,

new fences, new lights, upgraded electronics and a beautiful, lighted American flag, flying high above and fluttering with the breeze.

Blight does not have a chance to win against the forces that exist in our community. Our task force will continue to meet and work with our local representatives to conquer this problem.

Clearly, we're ending a very interesting, very positive, very productive year in Olean. But interesting, positive and productive things aren't ending with 2015. There are many exciting things in the 2016 pipeline, and while I don't want to offer any predictions or make any promises, I remember my grandfather used to say to me, "These are exciting times—but the day is young—you ain't seen nothing yet!"

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