

COMMITTEE OF THE WHOLE MEETING MINUTES

TUESDAY, FEBRUARY 11, 2020 – 6:30 p.m.
COUNCIL CHAMBERS – OLEAN MUNICIPAL BUILDING

IN ATTENDANCE WERE: ALDERMEN GONZALEZ, WITTE, PANUS, DOUGHERTY, CRAWFORD, SMITH, AND ANASTASIA. OTHERS: MAYOR WILLIAM AIELLO; LENS MARTIAL, CITY CLERK; NICHOLAS DICERBO, JR., CITY ATTORNEY; FRED SARADIN, CITY AUDITOR; KERI STEPHEN, COMMUNITY DEVELOPMENT PROGRAM COORDINATOR; BOB RING, DIRECTOR OF PUBLIC WORKS; TIM RICHARDSON, FIRE CHIEF; JEFF ROWLEY, POLICE CHIEF, AND TIFFANY TAYLOR, MANAGERIAL CONFIDENTIAL ADMINISTRATIVE SECRETARY.

Alderman Gonzalez called the meeting to order at 6:30 p.m. and asked that the record show that all Aldermen were present.

1. PL #07-20: (Aiello) That the Common Council has received a copy of the Disadvantaged Business Enterprise (DBE) Program and authorizes the Mayor to execute the DBE Program Agreement on behalf of the City of Olean.

Ms. Stephen explained that she holds the position as the DBE Liaison for the City relating strictly to the Olean Airport. She explained that she has to complete each aspect of the program. The FAA office notified the City that the DBE Program needs to be updated for payment monitoring and enforcement mechanisms. The Program has been updated from the 2017 Program to include new regulations.

A motion to approve PL #07-20 was made by Alderman Dougherty, seconded by Alderman Witte. Voice vote, ayes all. Motion carried. Referred to Regular Meeting for Resolution.

2. PL #08-20: (Aiello) To authorize the Mayor to execute a Lump Sum Consultant Agreement with C&S Companies for the Design portion of the SRE Building Pavement Rehabilitation Project at the Cattaraugus County – Olean Airport.

Mr. Ring explained that C&S Companies is the consultant firm that the City uses for FAA grants at the airport. He explained that this project has been vetted numerous times, and that this is the next step in the five year plan. He explained that the engineering portion has a \$17,000 local match, which he will attempt to pay through budgeted funds or have the County reimburse the match.

Alderman Crawford asked if the \$17,000 is 5% of the total bill, so the entire cost is \$300,000 to \$400,000. Mr. Ring explained that is correct, and that the grant portion is 90% FAA and 5% State.

Alderman Crawford explained that he knows that the Council has talked about this extensively in the past, and that part of the five year plan is to invest millions of dollars into the airport. Mr. Ring

explained that he has not looked at the exact number in some time, but he believes that the \$250,000 cost to the City will allow for \$3 million in pavement replacement. Alderman Crawford explained that a sticking point for him is that he has asked for a long term plan for the airport to see the facility become sustainable, because he does not believe that it is an economic driver for the City. He explained that every time the City takes grant money from the FAA, it increases the amount of time that the City needs to keep an insolvent business open. He explained that he has yet to see any sort of plan in place and he cannot, in good faith, agree with spending more money on the airport unless there is a long term plan in place to make the airport profitable or at least allow it to break even. He explained that he cannot do that to taxpayers.

Alderman Crawford explained that he will be voting “no” on this but he asks again for a long-term plan or a partnership with the County, or whoever. He explained that the City cannot afford to upgrade neighborhood playgrounds, but we are putting a massive amount of money into the airport to fund a playground for the 1%. He explained that this is just the beginning, and he can see what is happening little by little. With the engineering portion and design phases of projects, then larger and larger commitments, the City will have to keep the airport open for 20 more years for only \$3 or \$4 million in FAA dollars. He explained that this is no more sustainable today than it was four years ago.

Alderman Gonzalez explained that he does not disagree with all of that, and he feels that Alderman Crawford makes some good points, He likes the notion that the City needs to take a longer term look at this, and that is something that is very overdue. He doesn't think, however, that all initiatives should be cratered over there, but that the City should have a plan moving forward.

Alderman Crawford explained that the Council now is making decisions that will be passed onto the next generation. IF the population goes to 5,000 people in fifteen years, we will still have the airport bleeding money. He explained that there should be a line in the sand that we are not spending any more money on the airport until it is sustainable. Alderman Gonzalez noted that if the population decreases in 15 years to 5,000 people, then the City has a much bigger issue than the airport. He explained that he does not know how the mechanism works, but we are already locked in for 20 years. Mr. Ring explained that the City is committed for 20 years at a 5% depreciation rate of the grant.

Mr. Ring explained that a five year plan was laid out when the City went through the initial grant application funding for the pavement study. He explained that the FAA is pushing pavement replacement right now.

Alderman Witte explained that she sees where Aldermen Crawford and Gonzalez are coming from, as they are arguments that the Council has heard form years. She explained that she feels that as a municipality, the City should be able to share services with the County, and that the City should sit down with the County to discuss the airport.

Alderman Dougherty explained that the airport is leverage for a lower interest rate when the City goes for bonding for infrastructure and other things, as it is one of the largest assets with a project that is being funded almost entirely by funding that isn't the City's money. He explained that banks look at the airport as an asset on paper, and that the City should take a hard look at this moving forward.

Alderman Crawford explained that on the books, we are losing \$150,000 a year at the airport. He explained that he would love to see a cost/benefit analysis to see the interest that the City is saving on their BANs and bonds based on this asset. Perhaps it is worth losing \$150,000 in taxpayer money there if we save \$400,000 a year in interest payments. Alderman Dougherty added that the asset also aids the City in getting funding in the first place, not just saving the City on interest rates.

Alderman Anastasia asked if there is any way to get a financial report on the money that is being taken in and spend on the airport, as well as information on fuel sales. Mr. Saradin explained that he would compile something that shows this information over the past five years.

Alderman Crawford explained that if the Council in the 1980's hadn't made the decisions that they did, that this conversation wouldn't be happening today. Mayor Aiello explained that he met with the three new Olean Legislatures and came up with a laundry list that the City needs to discuss with them. The airport is one of the items on this list. Alderman Crawford asked how much the City gets per year, and Mayor Aiello responded that the City gets around \$17,000 per year from the County. Alderman Panus explained that he agrees that the County needs to be a bigger player here. HE explained that the County has more power to market this asset.

Mayor Aiello explained that he doesn't disagree, but that the City has had very little assistance from the County for the airport over the years. He explained that he too would like the County to be a bigger player here. Alderman Gonzalez explained that the City needs to come up with something creative that motivates the County to step up.

Alderman Smith explained that he has been an airport supporter for a long time, and that he feels that it is an economic driver and a quality of life issue. He respects everything that Alderman Crawford is saying and he sees what he is saying fiscally. He explained that the Police Department and Fire Department don't bring in revenues, but they are valuable entities. He feels that it is a valuable asset to have a regional airport for our community. He does feel that the City shoulders an unfair percentage of the cost, but that does not mean that the airport should be shut down. The airport does not make money, but neither do other City departments. He does not feel that that's what a municipality does.

Alderman Crawford explained that he does not believe that is a fair analogy, and he does not feel that most of Olean benefits from the airport.

A motion to approve PL #08-20 was made by Alderman Dougherty, seconded by Alderman Smith. Voice vote, ayes all except Alderman Crawford, who voted nay. Motion carried. Referred to Regular Meeting for Resolution.

At this time, Alderman Smith left the meeting.

3. PL #09-20: (Aiello) To authorize the Mayor to apply for grant funding through the New York State Environmental Facilities Corporation (EFC) Water Infrastructure Improvements Act (WIIA) for the Stardust Pump Station Replacement Project to build an above-ground pump house structure including new infrastructure.

Mr. Ring explained that the project is going to bid in March for the Stardust Pump Station, and WIIA pays for 40 percent of the \$600,000 project. He explained that a portion of the City's match is in a Capital Fund, and he would like to take the remainder out of Capital Outlay, as was previously discussed. He explained that in moving forward with Municipal Solutions, the City needs to sign a finance agreement with EFC in order to receive 50% of the grant funding, and this finance resolution is really the last thing necessary to move forward with the finance agreement.

Alderman Witte asked why the City is doing this project, and Mr. Ring explained that there is currently an underground pump station higher on the hill. When employees need to maintain or fix something, they need to enter into an enclosed space. He explained that for the most part, newer pump stations are being built above ground. Mr. Ring explained that the pump station has the same purpose, just a different mechanism. Moving the station above ground is for ease of maintenance.

A motion to approve PL #09-20 was made by Alderman Witte, seconded by Alderman Crawford. Voice vote, ayes all. Motion carried. Referred to Regular Meeting for Resolution.

4. PL #11-20: (Aiello) That the Project Loan Committee recommends that the City subordinate its lien position for Olean Homeownership Assistance Program Application #144-04.

Ms. Stephen explained that a participant from the 2004 program is looking to refinance their home for a lower interest rate. The ten year period is over in November, but they would like to refinance sooner. She explained that they are going with a different financial institution than the original mortgagor, so the City will subordinate its lien position to the new financial institution and take the second lien position.

A motion to approve PL #11-20 was made by Alderman Gonzalez, seconded by Alderman Anastasia. Voice vote, ayes all. Motion carried. Referred to Regular Meeting for Resolution.

5. Adjournment

A motion to adjourn was made by Alderman Gonzalez, seconded by Alderman Crawford. Voice vote, ayes all. Motion carried. Meeting adjourned at approximately 6:55 p.m.