

CITY OPERATIONS

Tuesday, May 2, 2017 – 5:00 p.m.

Police Training Room – Olean Municipal Building

Present: Members: Chairman Smith, Vice Chair Gonzalez, Alderman Dougherty, Alderman Andreano, and Alderman George. Others: Alderman Witte; Alderman Crawford; Mayor William Aiello; Nicholas DiCerbo, Jr., City Attorney; Fred Saradin, City Auditor; Bob Bell, Fire Chief; Jeff Rowley, Police Chief; Ed Jennings, Code Enforcement Supervisor, and Tiffany Taylor, Managerial Confidential Administrative Secretary.

1. Roll Call

Alderman Smith called the meeting to order at 5:00 p.m. and asked that the record show that all committee members were present.

2. Approval of Minutes of the Previous Committee Meeting (Tuesday, March 21, 2017)

A motion to approve the minutes of the Tuesday, March 21, 2017 meeting was made by Alderman Smith, seconded by Alderman George. Voice vote, ayes all. Motion carried.

3. Unfinished Business

None

4. New Referrals for Consideration

- a. PL #39-17: (Aiello) To authorize the Mayor to sign an amendment to a Remote Net Metering Credit and Operations and Maintenance Agreement with Homeridae LLC.

Mayor Aiello stated that he has been approached with a contract amendment by Jim Falsetti of BQ Energy and Don Benson, the owner of the property.

Mr. Falsetti stated that the current agreement between his company and the City is for fifteen years at a price of \$0.117 kWh. The proposed amendment drops the price to \$0.107 kWh, with an increase to twenty five years. The drop in price equals a \$45,000 a year savings to the City. Mr. DiCerbo and the Mayor had requested that they research what other municipalities had done, and they are able to present the Council with a list of municipalities who have entered into 25 year agreements like they are requesting. He presented a handout to the Council that shows the annual savings.

He continued in stating that he has provided the draft amendment to the Mayor and Mr. DiCerbo, and now they are looking for Council approval. They would like to be up and running

on the site by November 2017. He stated that this is a win-win for everybody, as the City sees the additional savings, while BQ Energy is able to obtain better financing options with the longer term.

Alderman Smith questioned what our role is in this project, and Mr. Falsetti replied that we are the electrical offtaker. They construct the panels, and we receive remote net metering credits. Under the current scheme, we are able to save a little bit of money; if we approve the amendment, we can save more. He mentioned that one of the other local agreements for the remote net metering credits is for longer than 25 years.

Alderman Witte questioned if the prices were to go up, if we are still locked in. Mr. Falsetti stated that the remote net metering credits are based on a fixed rate with no escalators.

Mr. Saradin questioned if the future monthly National Grid bills will identify the credit, and Mr. Falsetti stated that they will.

Alderman Gonzalez stated that he believed that this was discussed last year, but that the pricing wasn't attractive. Mayor Aiello stated that the last request was simply to extend the contract, where this request includes a decrease in rates with an increase of savings.

Alderman Dougherty stated that he doesn't see the harm in this. Alderman Crawford asked what the incentive for BQ Energy was, and Mr. Falsetti replied that this allows them to borrow longer for funding for the project. The interest on a longer loan is higher, but the payment is lower, you save money on the down payment, and you have more financing options with a longer agreement.

Alderman Smith stated that he was not crazy when this agreement first came to the table, and he was not comfortable with the 15 year term. He stated that he is still not crazy about this. Mr. Falsetti replied that he could see the City's hesitation at \$.0117 kWh, but the \$.0107 kWh adds at least \$45,000 a year in the City's pocket. Alderman Dougherty reiterated that we could see no savings a year, but this is not costing us anything. These solar panels are going on property that we don't own.

Alderman Gonzalez stated that he feels some reassurance looking at what other municipalities have done. Mayor Aiello added that if we remain with the current contract, when it is time to renegotiate in 15 years, we may wish that we had taken this better offer sooner.

Alderman Smith questioned if there is any fear of political winds because of this type of agreement. Mr. Falsetti stated that the State is very supportive. They do not say that Olean must have a certain percentage of sustainable energy, but it may happen in the future. New laws that we being passed, along with Public Service Commission rulings, are changing the way

that these agreements are made and what they can contain, so they are becoming less and less attractive. We are lucky to be locked into such a good agreement. If we don't finish the project by November, the entire agreement falls apart.

Alderman Andreano questioned what happens if the site is not ready by November, and Mr. Falsetti replied that they may be able to speak with National Grid to get an extension. However, they have been pretty clear that they aren't going to be granting any more extensions. Alderman Smith asked who owns the site when it's finished – BQ Energy, or National Grid. Mr. Falsetti replied that it is owned by BQ Energy. They fund, build, and maintain the site.

Alderman Smith continued in asking what happens if, ten years down the road, something happens and they are out of the business of solar panels. Mr. Falsetti stated that it is BQ Energy on the hook. There is no risk to the City. Alderman Crawford questioned if this is costing us any money on the City's part, and Mr. Falsetti stated that there is no cost to the City.

A motion to approve PL #39-17 was made by Alderman Gonzalez, seconded by Alderman Dougherty. Voice vote, ayes all. Motion carried. Referred to Regular Meeting Tuesday, May 9, 2017 for Resolution.

- b. PL #30-17: (Smith) To authorize the City of Olean to deed the premises located at 105 South 13th Street to an interested party for \$1.00 with stipulations that the property be demolished according to the City of Olean Code of Ordinances and all other applicable laws within six (6) months of the purchase date.

A motion to postpone PL #30-17 to the next City Operations meeting was made by Alderman Gonzalez, seconded by Alderman Smith. Voice vote, ayes all. Motion carried.

- c. PL #36-17: (Aiello) To authorize the Mayor to enter into a Cost Plus Fixed Fee Consultant Agreement with C&S Engineers, Inc. for Construction Observation & Administration services for the Cattaraugus County – Olean Airport Perimeter Fence Replacement – Phase II, subject to funding award for the project.

Mayor Aiello stated that this is for the second phase of the fencing project at the airport. Federal grants, if awarded, will cover the cost, with a 10% match to come from tree harvesting proceeds.

A motion to approve PL #36-17 was made by Alderman George, seconded by Alderman Dougherty. Voice vote, ayes all. Motion carried. Referred to Regular Meeting Tuesday, May 9, 2017 for Resolution.

- d. PL #40-17: (Aiello) To amend the City of Olean Code of Ordinances Section 28-108 to amend fines for contractors for failure to obtain permits as follows:

First offense: \$100 fine (plus doubling permit fee);
Second offense: up to \$250 fine (plus doubling permit fee); and
Third or more offense: up to \$1,000 fine (plus doubling permit fee).

Mayor Aiello stated that permits are required by the Department of Public Works for any company that will be working in the right of way. If they do not obtain a permit, Code Enforcement issues a stop work order. The company, particularly the one that caused this issue to come to our attention, then pays the \$100 fine and permit fee, and continues with the work. They continuously begin work without obtaining a permit. The permit is the way the City has to make sure that they follow rules such as dig safely, as well as adhere to safety measures such as sidewalk closings. The higher fines for additional offenses is our attempt to prevent the companies from continuously starting work without obtaining a permit.

Alderman Andreano questioned how we enforce this, and Mr. Jennings stated that DPW sends Codes out to issue a stop work order and a ticket for the offense. Mr. DiCerbo added that we can pursue them in City Court for fines, if necessary.

A motion to approve PL #40-17 was made by Alderman Dougherty, seconded by Alderman George. Voice vote, ayes all. Motion carried. Referred to Regular Meeting Tuesday, May 23, 2017 for Resolution.

5. Approval of Committee Reports

A motion to approve committee reports was made by Alderman Smith, seconded by Alderman Andreano. Voice vote, ayes all. Motion carried.

6. Additional Discussion

a. North Union Street Drainage Issues

Alderman Smith stated that the water garden in front of Armond's on North Union Street seems to be causing issues. The owner of Armond's has been a big supporter of the project since the beginning. He now has a lot of water in the basement since the project has been done, which is attributable to the rain garden in front of the building. He stated that the drain box is several inches higher than the dirt. The owner has been to the City several times and has even spoken with Jeff Lebsack (of Hatch Mott MacDonald) regarding the issue. We do not know what the solution is, but we need to figure it out.

Alderman Witte stated that she believes that some of the drains were lowered, and asked if we could do the same here. Alderman Smith stated that it is possible. He also noticed large rocks being placed in other areas of the street to direct water to the drains, but that has not been

done in this location. He wonders if this may help as well. He will be getting more information, but wanted the Council to be aware of the issue.

b. May 1, 2017 storm

Alderman Andreano stated that she drove through her ward last night after the storm, and she saw several City workers driving around, cutting trees, and aiding with other issues. She stated that she wanted to thank whoever sent them out to the streets to help with recovery. One of the workers ran through a lot of the issues the storm caused in her ward with her, so that she was able to take a look herself. They deserve kudos for their great work.

c. Prospect Parking Issues

Alderman Witte stated that there is an issue on the beginning of Prospect, where there is parking on both sides of the street. She has driven through several times, and the roadway is very narrow with cars on both sides. She is requesting a "No Parking" sign on one side of the street to alleviate the issue. She will be bringing a PL up for Public Safety to discuss at a later date.

Gordon Baldwin, a resident of the street, expressed concern with the speed that people are taking the corner and traveling the street. He added that he feels that a three way light should be added. He stated that when he had spoken regarding the issue before, the Police Department sent a marked car to the area. He doesn't feel that this aided in the solution because people saw the car and of course slowed down.

7. Adjournment

A motion to adjourn was made by Alderman Smith, seconded by Alderman Andreano. Voice vote, ayes all. Motion carried. Meeting adjourned at approximately 5:45 p.m.