

Minutes

Audit & Control Committee

April 18, 2019, 8:35 a.m., Room 331

Gerace Office Building, Mayville, NY

Members Present: Chagnon, Nazzaro, Niebel, Muldowney, Gould

Others: Tampio, Ames, Dennison, Geise, Cresanti, Braley, Lis, Brickley, DeMarte, Bentley, McCoy, Martella, Crow, Heitzenrater

Chairman Chagnon called the meeting to order at 8:37 a.m.

Chairman Chagnon: I would like to insert a request to the Committee and those present to observe a moment of silence for one of our Legislators who passed away. Dave Himelein is no longer with us so please observe with me a moment of silence. *(Moment of silence given)* Thank you.

Approval of Minutes (03/21/19)

MOVED by Legislator Niebel, SECONDED by Legislator Gould

Unanimously Carried

Privilege of the Floor

No one chose to speak at this time

Proposed Resolution – Abolish Petty Cash Funds That Are No Longer Needed

Mrs. Dennison: In the Finance Department we have started a process of trying to eliminate petty cash funds that are no longer needed. This is a recommendation of the internal auditors and also has been suggested by the 2nd Deputy Director of Finance, Nancy Henry, she is the one that oversees the petty cash accounts. It’s something that we have been intending to do and just started that process partially because of the internal audit findings. So we have a number of departments that have agreed to either abolish or consolidate petty cash accounts that are no longer in use. So this is the first resolution and we anticipate that there will be more forthcoming as we continue to move through this process.

Chairman Chagnon: And in reading the minutes of Public Facilities, I believe there was a question of which departments are not cooperating with -

Mrs. Dennison: Yes, that question was raised by Mr. Gould and I do have some information on that. There are – of the departments that have been queried so far and that is not all of them, the ones that declined to cancel their petty cash accounts is CARTS was one, the Law Department, and the Health Department in Mayville. To be honest, we didn't really get reasons why they declined just that they didn't want to. I know the Law Department said, "well, occasionally we have to buy postage" and only I think the County Attorney has a purchasing credit card so if they didn't have a petty cash account he would be the only one that could make purchases. So those are the three that have declined so far. We have just started through this process so we may, after we get to the end, maybe make another attempt at those with those departments. There are quite a few petty cash accounts that are used just as a changed fund. So those accounts we really can't do away with. For example, the Tax Department has one, the DMV's, so that they have something that is classified as a petty cash account but all it really is is a starting bank for them to do and handle cash transactions. So, the ones that have been identified as change funds, we're not expecting that those will be closed. We have probably another, looks like another 10 departments that we have not communicated with. I know Nancy had sent out just a couple of days ago, sent out a new inquiry saying we suggest that these be closed and she's waiting back from other departments.

Chairman Chagnon: Anyone on the Committee want to make a comment here?

Legislator Nazzaro: I mean, we can put a hold on that for now. I know again, as you just mentioned Kathleen, there are other departments that we need to go through. Obviously the auditors recommendation I think is a good one. I think it is standard practice today. The less cash that is handled, the less risk, less liability, even though the monies may not be significant. So, we'll put a place holder on that. I think we need more information. My opinion, I think at the end of the day, we should go with the auditors recommendation and close the entire County departments so they may not have a choice.

Mrs. Dennison: We understand that and as they were kind of taking the soft pedaling approach at this time, after this resolution before you is drafted, we already have a couple of other departments that, this week acknowledged that they don't need their accounts. So we'll definitely be closing more. I should also comment that there are a few accounts that are classified as petty cash accounts but they are actually checking accounts. Those ones we are proposing to leave in place because since they are checking accounts, there is a process in place where we get a bank reconciliation on them each month. Those are kind of in the gray area there. It's not cash that is sitting around. It is a checking account, the cash is in the bank and there are monthly reconciliations for those.

Legislator Gould: Are those a lot of money or small amounts in the checking accounts?

Mrs. Dennison: One of them is \$1,000 in Mental Health. There is one in the Public Defender's office that's \$500, there is a Police Investigation fund in the Sheriff's office that is \$2,500. I think those are the only three.

Mr. Bentley: I will speak on behalf of CARTS and probably the whole (*cross talk*). CARTS, I will check with Michelle if this is true, but I know that when people come in to

purchase tickets, they pay cash, so we need change. I think they use the petty cash as kind of the mechanism otherwise you are pulling out of your own pocket to make change for people. So, there will be a need. If we need to reclassify that as something else so it's not petty cash to be more indicative of what it is being used for. Then at each of the transfer stations and landfill, people come in to pay for their garbage, it's \$2.00 and they give you a \$5.00. You are going to need the ability to do that.

Mrs. Dennison: The landfill ones are all noted as change funds. The CARTS one is not.

Mr. Bentley: It probably should be.

Mrs. Dennison: Probably a miscommunication, maybe.

Mr. Bentley: Yeah, I'm going to guess that Michelle probably uses it mainly for making change for when someone comes in and buys a ticket.

Legislator Nazzaro: So I think in summary here what we are saying, and I agree, change funds may be needed, obviously, but I think the goal then is for "petty cash" funds not to have those because any purchases should be made with a card and not with cash and having receipts. So I think at the end, I am sure you will provide us a full disclosure and summary of what is going to be a petty cash fund (*inaudible*) remaining or what's going to be change fund and then any remaining petty cash funds.

Mrs. Dennison: Yeah, because the change funds don't need to be replenished so there is not that –

Legislator Nazzaro: And you are not using it for purchasing.

Mrs. Dennison: For spending.

Mr. Bentley: I agree. We've tried to move all the DPF to using the credit card for purchases and I think we've moved pretty far in that way. That's why part of the recommendation is to abolish the airport and even the DPF, the Falconer office had petty cash that we're getting rid of. We haven't used it in a year and half so there is no reason to have it around.

Mrs. Dennison: If our quarterly meeting of the fiscal staff which happened on Tuesday, Shannon Harle from the Finance Department, she did a nice job of explaining to all the attendees why it's advantageous to use a purchasing card. First of all, there is no cash changing hands but also then the purchases are recorded in the month in which they are incurred. With the petty cash accounts, some of them are only reconciled once a year where they are supposed to be reconciled once a quarter, some of the ones that have more activity. So we're only recording those expenses once a quarter so they are not tied into the period in which they are incurred. The other advantage is that we do get a rebate from M&T for all of our credit card purchases. So, as I said, she gave that information to the group so I'm hoping that that will kind of start people thinking

like, there are a lot of, other than the mandate that we eventually impose, there are some advantages to using the purchase cards instead of the petty cash fund.

Legislator Niebel: So the Tax Department and Motor Vehicles where you have a lot of activity, those really should be charge accounts rather than petty cash accounts?

Mrs. Dennison: No, they're charge funds. They have banks for making charge.

Legislator Niebel: Oh, just terminology?

Mrs. Dennison: Yes. They are technically classified as a petty cash account because it's cash that's in the departments but that is their function. They are not buying things out of it. They are just using it for change.

Chairman Chagnon: I appreciate the comments from the committee. This probably doesn't need to be said but I'll say it anyway, that Kathleen, I am sure you recognize that this is not a right of the departments. This is a decision of the County Legislature and I think that I can say with confidence, we're 100% behind your efforts in this area. Any other questions or comments on this proposed resolution?

Unanimously Carried

Proposed Resolution – Amend 2019 Budget Appropriations – Vehicle Purchases Allocations

Chairman Chagnon: I understand that this has been amended in a previous committee.

Mrs. Dennison: Would you like me to go over the amendment first?

Chairman Chagnon: Sure.

Mrs. Dennison: We did a little bit more research on the background for all of these changes and in doing that, Todd Button who made the proposed changes found that he had made an error and so two lines need to be stricken from the resolution. That would be the first line under Increase Appropriation Accounts so we proposed to delete the account that is an increase in Building & Grounds contractual costs of \$1,625 and that would change the total Increase Appropriations to \$16,697. Then we would also like to strike the second line under Decrease Appropriation Accounts, so we would be striking the Decrease in Appropriations for contractual, Parks, for \$1,625 which would be removed and the new total for the Decrease Appropriation Accounts would be \$16,697.

Chairman Chagnon: Was this amended in the previous committee or this is a proposed amendment?

Legislator Niebel: No, it's a proposed amendment. We did it in Public Safety last night.

Mrs. Dennison: And in Health & Human Services also. These changes were discovered after the Public Facilities meeting so it was not amended in Public Facilities.

Chairman Chagnon: You didn't discover that?

Legislator Nazzaro: Obviously not.

Mrs. Dennison: He discovered something else.

Chairman Chagnon: O.k., what did you discover?

Legislator Nazzaro: Go ahead Kathleen.

Mrs. Dennison: Mr. Nazzaro asked appropriately, he said, "well, these are changes in vehicle purchase allocation for a variety of departments so, why do they balance?". They were actually out of balance by about \$203 so instead of adjusting fund balance for \$203, we added that \$203 to the Sheriff's appropriations.

Legislator Nazzaro: I considered it immaterial.

Mrs. Dennison: If you would like, I can walk through the causes for each of the individual items but the overall picture is that in doing the year end reconciliations for 2018, it was discovered that some of the purchase prices were different and that in one case with the Sheriff's organization, the budget for 19', there were some vehicles that were inappropriately classified between the Jail and the Sheriff's organization. Also when it comes to the Sheriff, there were some funds from 17' in this vehicle purchase budget that were not spent in 17', they were eventually rolled into 18', but the budget was calculated before that roll over occurred and those additional expenses were incurred in 18'. So that is why the original budget was a little bit too low.

Chairman Chagnon: Any other questions or comments on the proposed resolution?

Unanimously Carried

Proposed Resolution – Authorize Supplemental Agreement No. 3 with NYSDOT for
PIN 5758.45

Mr. Bentley: This is a bridge over Prendergast Creek, between Sherman and Stedman Corners. It's a bridge that we've actually received Bridge New York funding for in the amount of \$1.1 million dollars. So this resolution, from the engineering and design phase, we've noted an increase. We've been working on the design since, believe it or not, 2007. So this is actually reconciling the increase cost from that time to now with some increase escalation in overheads. This resolution is needed so that we can submit for the reimbursement from New York State. It's an 80/20, 80% Federal, 20% local but we're also expecting at the end of the day, Marchiselli funds. So at the end of the day our real percentage would be 5% on this project. But we can't put that in until we get the Marchiselli funds, apply for those. So the net increase was \$75,000

overall. Our share would be \$15,000 but again, at the end of the day, we'd expect that to be 5% of that \$15,000, that increase. We're going to try and get the bridge done this year. Unfortunately when we let out for bid, the steel contractors couldn't get in on time, so, it looks like it won't be until next year. We're well within the Bridge New York requirements on the funding.

Chairman Chagnon: Any questions or comments? I guess I would point out for the committee that last year we actually decreased the cost of this project and I understand that that was because the expenditures for right-of-ways was less than anticipated.

Mr. Bentley: Yes.

Chairman Chagnon: So this increase is not a total increase to the project from the original cost of the project because we did have savings in the acquisitions of the right-of-ways.

Mr. Bentley: Right, so I think right-of-way costs went down but inflation and also the environmental requirements and so having the design and incorporate the additional environmental regulations, you have to look for every protected animal, it's just gets a little bit more complicated each year and that incurs time and effort. Even if you don't find anything, you still have to pay the cost of researching to produce the report.

Chairman Chagnon: I just wanted (*cross talk*) for the costs going down for the rights-of-way.

Mr. Bentley: I'd like to take credit for it but that's usually the appraisal but I appreciate it.

Chairman Chagnon: O.k.. Any other questions or comments on the proposed resolution?

Unanimously Carried

Chairman Chagnon: We're going to request that the order of the proposed resolutions 4 and 5 be reversed so we would take list as number 5 next because it needs to be adopted, approve, before we'd look at the previous next resolution.

Proposed Resolution – Amend 2019 Budget Appropriations and Revenues – Capital Improvements, Funded Bridges & Road (D Fund)

Mrs. Dennison: This is similar to a resolution that you approved last month. Last month we re-allocated the budget for the mostly funded bridges and this month we are making some additional changes, mostly pertaining to funded road projects. So, what I thought I would do is walk through the WHEREAS clauses and then identify which RESOLVED clauses pertain to the WHEREAS clauses.

So the first two WHEREAS clauses I really want to discuss is that, we would like to more closely monitor the revenues and expenditures for funded projects. So we now want to create a group of accounts and a classification for funded road projects. We did it last month for bridges and this would be for roads. So those two items are proposed in the first RESOLVED clause.

We're creating a new sub-department, which is D.5112.393, it is funded roads, capital improvements for funded road projects. So we are proposing to create some revenue accounts for that new sub-department and then a new expenditures appropriation classification for funded roads. That is the first step. Next is the third WHEREAS clause which pertains to CHIPS funding. The budget in the past, the CHIPS funding has been in a lump sum and it's not been not in a department that applies to either roads or bridges. So we're proposing to split that. That is done under the Increase Revenue Accounts, the last two lines of that section, we're increasing CHIPS funding, specifically identifying it for roads and bridges. And then the Decrease Revenue Account is taking the CHIPS funds out the generic department for capital improvements. Then the last WHEREAS clause, we are proposing to roll forward funds, both revenues and appropriations for funded projects that have been started and funded in 2018 but they have not been completed. So we're rolling forward the remaining portions that will be expended, monies that will be expended and revenues that will be received in 2019. So that piece of the resolution is accomplished by, first of all, the increase in the use of fund balance, of \$57,273, also increase in appropriations for all of our, these are funded bridges, just bridges that are currently in progress. Then we're also, under the Increase Revenue account section, rolling forward the outside funding for those projects. I should also comment that the reason there is a use of fund balances is that these projects when they were originally proposed and budgeted, the intention was that the local share would come from the D fund balance. So, since the projects, they were not completed, in a sense that the use of fund balance, it was never accomplished in the past so we're proposing to use it now in 2019.

Chairman Chagnon: Any questions or comments on the proposed resolution? Now might be the time to compliment the Public Facilities Committee because they did some good work this month with some very difficult proposed resolutions, I guess to understand and work through. I appreciate reading the minutes of that Committee meeting. If there are no other questions or comments.

Unanimously Carried

Proposed Resolution – Authorize Agreement with NYSDOT for Performance of Federal-Aid Project PIN 5762.26, Dale Drive Shoulder Expansion

Mr. Bentley: This is Dale Drive up in Cassadaga. This is actually to accomplish the actual construction and authorizing the funds to be spent for the project in total of about \$856,000. This is really just the next step of the completion to get the project done this year. (*Inaudible*) included, some Complete Streets aspect to it. Some bike lanes will be in there and taking into consideration the walkability of the area. Obviously that's near Lily Dale so there is a lot of pedestrian traffic so we're trying to incorporate the safety features into that. Good project and I think that we're ready to roll with this one.

Mrs. Dennison: I just want to clarify the total budget for the project is \$735,000. The \$856,000, the increase in appropriations is the cost of the project but also includes the inter-fund transfer from the A fund into the H fund. So the amount of money expended would be the \$735,000.

Chairman Chagnon: Any questions or comments?

Legislator Nazzaro: Just briefly as we discussed in Public Facilities, the increase in the use of fund balance was expected.

Mrs. Dennison: Correct.

Legislator Nazzaro: We're doing it with \$147,000 and \$26,000 of that was for the design phase and the remaining \$121,000 is the project. Is that correct?

Mr. Bentley: Yes.

Mrs. Dennison: The other reason there is a lot more budget changes is that we're proposing to move this project out of the capital fund, the H fund, and put it into the D fund, into the newly created funded roads department that we just did in the last resolution. Since it's managed by Mr. Bentley and his crew and it's a road capital project, we thought that it was more appropriate to have it in the D fund.

Chairman Chagnon: Any other questions or comments?

Unanimously Carried

Proposed Resolution – Amend 2019 Budget Appropriations – Depreciation Expenses for Enterprise Funds

Mrs. Dennison: This resolution was proposed by first Deputy Director of Finance, Todd Button, again, comes out of the year end reconciliation project for 2018. The 2019 depreciation budget for the enterprise funds, it's based on assets that are in service at the end of 2017 and so through the course of 18', there have been changes in the assets. Most notably with the North Chautauqua Lake Sewer District. That district completed its phosphorus project and so that is a big addition to its capital assets. So there are additional depreciation expenses because of the new assets. In one case, South & Center actually had a decrease in one of their depreciation expenses but overall in general, they are increases so we are proposing to modify the depreciation budgets and then the offset would be that those would be a decrease in the fund balances or an increase of the fund balances for the individual enterprise funds.

Chairman Chagnon: Any questions or comments on the proposed resolution? I would just point out to the Committee that this is a proactive move by the Finance Department. That this will avoid a year end budget reconciliation amendment. So this is getting ahead of the curve which I applaud you for. Thank you.

Mrs. Dennison: All thanks to Todd, it was his idea. I just put it in writing.

Chairman Chagnon: Any other questions or comments?

Unanimously Carried

Proposed Resolution – Amend 2018 Budget for Year End Reconciliations – Information Technologies and Communications System

Mrs. Dennison: I just want to stress on this one that this is a change to the 18' budget. Again, through the year end reconciliation process, it was discovered that there were some expenditures that were made out of the Information Technology's operating budget and they are actually part of an existing capital project for the telephone system upgrade. So, we're moving the budget out of the operating fund and into the capital fund for that specific project. The actual expenses obviously will be transferred as well.

Chairman Chagnon: Any other questions or comments?

Unanimously Carried

Proposed Resolution – Authorize Extension of Grant Funding for Help America Vote Act (HAVA) SHOEBOX Grant

Mrs. Dennison: You are going to hear from me a lot this morning. The ladies from the Board of Elections couldn't be here this morning so they asked me to speak on their behalf. They have a grant in place and they are just looking to extend the grant for the next fiscal year, the State fiscal year. So extending and using the grant from April 1st of this year through March 31, 2020. For the HAVA grant, there is \$44,460 remaining to be spent. That is included in the 2019 budget and they are planning to spend it on voting machines and electronic poll books for early voting.

Chairman Chagnon: Any other questions or comments?

Unanimously Carried

Proposed Resolution – Authorize Extension of Voter Education/Poll Worker Training and the New York State Poll Site Access Improvement Grant

Mrs. Dennison: This is the same situation as the preceding resolution that it's an existing grant. We need a resolution to extend it into the current fiscal year and allow the Board of Elections to spend the remaining amount of the grant which is \$10,057 and the Board is planning to spend that on ADA compliance for early voting at the Chautauqua County Fair Grounds.

Chairman Chagnon: Any other questions or comments?

Unanimously Carried

Proposed Resolution – Amend 2018 & 2019 Budgets for Grant Equipment Revenue – Office of the Sheriff, Public Safety Communications Network

Mrs. Cresanti: It's pretty straight forward. This was discussed last month pending year end results with revenue shortfalls. This particular grant, this grant revenue is multi-year. We were hoping to expend and receive the reimbursement in 18' which did not happen. Kathleen sat down with us and proposed that we amend the 18' budget to decrease by the revenue amount and increase the 19' budget since we anticipate receiving it this year instead.

Chairman Chagnon: Any other questions or comments?

Mrs. Dennison: Mr. Chairman, if I could just make a comment. The resolution doesn't specifically identify this but what technically happens is that in 18', since we're decreasing revenue, we would be increasing the use of fund balance in 2018 but that will just be a temporary use of fund balance because in 19', we're increasing the revenue with no offset so that would be a decrease in the use of fund balance. I didn't write that in the resolution but that's really what is going on behind the scenes.

Legislator Niebel: It's an accounting function.

Mrs. Dennison: Yes.

Chairman Chagnon: Thank you for that clarification.

Legislator Nazzaro: And there is nothing that has to be done on the appropriation side? This is for equipment?

Mrs. Dennison: The appropriations budget as part of the general or the typical year end process, anything that is encumbered and the purchase orders have not been completed, that automatically rolls forward into the next year. So the appropriation already was removed from the 18' budget and added to the 19' budget. But unfortunately, revenues do not automatically roll forward. In most cases, those encumbrance's don't have a corresponding revenue. So, this is kind of an unusual situation so we just wanted to kind of right size to do the other half of the adjustments that has already been made. As I explained last night in Public Safety, Mr. Niebel asked a good question, why don't we roll forward the revenues? We don't because, as I said, mostly is a fairly unusual situation that the revenues are attached to an encumbered expenditure. In the past when it has happened, the magnitude of that revenue or the purchase was much smaller, this one obviously being a big dollar amount, it just skews the actual results on the revenue side. When you look at the Sheriff's budget, it's looking like he has a big shortfall in revenues and it's just because the budget wasn't appropriately amended on the revenue side.

Legislator Nazzaro: Thank you for that clarification.

Chairman Chagnon: Kathleen was kind enough to walk me through this previously but I knew you were going to ask the question so I just sat back.

Legislator Niebel: We don't always have the revenues to roll forward.

Mrs. Dennison: Right. It's something, in my opinion, we should always do if there is an encumbrance that has revenue attached. So, we'll be looking for those occasions in the future. I'm not aware of any other ones where the expenditures will roll forward from 18'. As far as I know, this is the only one. Certainly the only one that that is of any material significance.

Chairman Chagnon: Any other questions or comments?

Unanimously Carried

Proposed Resolution – Amend Chautauqua County Health & Human Services 2019 Budget for Rollover of Public Health Emergency Preparedness Program Opioid Crisis Funding

Ms. Lis: This resolution is basically a correction of our 2019 budget. We received a \$75,000 addition to the PATP grant for opioid crisis work. It ran from July of last year to June of this year. We spent very little on it last year, we really didn't get started. So, we are carrying forward that revenue because we have not received any revenue so the entire \$75,000 is coming forward. We're putting in the expenditures that we have budgeted on that grant. What you will see is that we are reducing our use of fund balance and that is because a lot of that grant funding is going toward payroll which is already budgeted.

Chairman Chagnon: Any other questions or comments on the proposed resolution? Another unusual one.

Ms. Lis: Our grant years are off and different from the calendar year so these things happen.

Chairman Chagnon: Thank you Val. Any other questions or comments?

Unanimously Carried

Proposed Resolution – Amend 2019 Budget for Equipment Purchases for Environmental Health Childhood Lead Poisoning Primary Prevention Program

Ms. Lis: We had budgeted to buy a piece of equipment. We bought two pieces of equipment in the prior grant year. We were going to buy one more. Of course, this is a grant that runs from April through March so while the budget was being prepared for 2019, we're working with what we knew which was pretty much an older version of that. The current one wasn't ready yet. We got a good deal on them when we bought two. We got less of a good deal on this purchase and also the company was – they changed their name, I think it was bought out so we were dealing with different people. So we need to increase our budget for equipment and decrease our contractual expenditures which is basically going to be things like give-a-ways, refrigerator magnets, whatever, I don't know exactly what they have to remind people to be careful with lead and children. And this adjustment has been put through to the State and approved on the budget for the grant. We actually have the bill already because we had put

through an RFP for the equipment and it was pretty much immediately shipped. They didn't wait until we had everything in place so in order to pay for that equipment, we need to do this.

Chairman Chagnon: Val just to make sure that we understand what you just said, the County did go through an RFP for the equipment and the proposed purchase has been approved by the State, the dollar amount.

Ms. Lis: Yes.

Chairman Chagnon: Great thank you. Any other questions or comments on the proposed resolution?

Legislator Gould: What is the equipment? I heard equipment, equipment, equipment but I don't know what it is.

Ms. Lis: I've never seen one myself, but it's, I call it a gun, but the machine that they use to check and see if an area contains lead. I don't know how it works.

Legislator Gould: Fair enough. Thank you.

Chairman Chagnon: Any other questions or comments?

Unanimously Carried

Proposed Resolution – Authorize Grant Application for 2019 Community Development Block Grant Funding through the New York State Office of Community Renewal

Mr. Geise: This resolution authorizes the County to submit an application to the Office of Community Renewal which is administered under HUD in the amount of \$450,000 for the Webb's Chautauqua Resort LLC project in Mayville. The grant would be administered by CREDC, which is Chautauqua Region Economic Development Corporation. We've done these in the past. The latest one was at Cockaigne and this would involve no expenditures by the County, as any kind of match. There will be a public hearing held prior to the Legislature meeting next week. We passed a resolution last month authorizing that public hearing.

Chairman Chagnon: So this would be in effect after the public hearing?

Mr. Giese: Yes.

Chairman Chagnon: Any other questions or comments on the proposed resolution?

Unanimously Carried

Proposed Resolution – Town of Busti Stormwater Project – Confirm Prior Match Commitment

Ms. Brickley: Just a little bit of background and context. The Alliance worked with the County back in 2015 to allocate funds for specific use of match, to leverage local resources to bring in State grants. In 2016, the County, the Alliance, Lakewood, and Busti all partnered for a stormwater study. Last year we went after some grants to implement some of the recommended projects. We were very successful on several and so this resolution basically confirms the commitment of \$5,000 of match to this project. It's a \$270,000 project and this is under WQIP grant which covers 75% of it and again your portion would be \$5,000.

Chairman Chagnon: So this is following through on the commitment that we made because we got the grant.

Mrs. Brickley: Correct.

Chairman Chagnon: Any other questions or comments on the proposed resolution?

Unanimously Carried

Proposed Resolution – Amend 2018 Budget for Year End Reconciliations – Final Adjustments

Chairman Chagnon: I believe that we have a proposed amendment to the proposed resolution in front of us.

Mrs. Dennison: That is correct. The proposed amendment would, under the Increase Appropriation Accounts add a line for the M fund. So in the amended resolution it would be the second to the last line M.9089.8000.4, Contractual costs for Undistributed Benefits/Benefits Surcharge would be an addition to the list of \$1,522. Then the new total is, \$3,086,079. Then there is also that corresponding increase in revenue, under the Increase Revenue Accounts. So again the amended resolution would have the second to the last line added M.9089.8000.R270.9004, Increase Revenue Account, departmental income for retiree contributions, increase that \$1,522 for a new total increase of revenue accounts of \$1,380,109.

Chairman Chagnon: Thank you for that clarification on the proposed amendment. I suggest that we go through the proposed resolution and hopefully you can walk us through a lot of these moving parts and then we would consider the proposed amendment before we act on the proposed resolution. Is that o.k.?

Legislator Nazzaro: That makes perfect sense.

Chairman Chagnon: O.k., if you would walk us through the moving parts.

Mrs. Dennison: We'll let Kitty talk about the first item, the increase in the use of fund for the MS fund and all of the moving parts associated with that.

Ms. Crow: The MS fund is the Worker's Compensation fund and at the end of each plan year, we have an actuary do a review for the incurred by not report reserves. In this particular

year their analysis along with our third party administrators look at it. There was an increase to the reserve. It can increase or decrease every year. Over the past five years, we've had a net increase of \$1.7 million but the last three years we have been decreasing the reserves based on the actuarial results. So, it is not a line item that we budget for but we have to use the fund balance now because the participant assessments have already been assessed for the plan year 2018 so we can't go back right now and charge all of the municipalities for any adjustment to the budget. If we want to overcome - fully fund our reserves, so to speak, we could start increasing the budget for Worker's Comp but, that is something that we could discuss if that is a desire at the time for the budget. That can go up and down, it can change based on what claims we negotiate and pay out. Dennis is always diligently looking at those opportunities but, we just happen to have a larger adjustment this year than we've seen.

Chairman Chagnon: Anybody feel free to jump in with any questions or comments as we go through this because there is going to be a lot of rolling pieces here. But Kitty, what is your impression of the status of the reserve at this point and time? Do you feel that there is any consideration that the Legislature should give to deal with the reserve at this point and time?

Ms. Crow: No. Another factor this year is that we changed third party administrators and so there was a change in how they showed some of the incurred but not reported. So, it almost seemed as though it was kind of doubly reserved. But, we did have - Dennis and Todd had a call with the actuary and the third party administrator to - I feel like their estimate was on the high side but, you can't really argue with an actuary sometimes. So we booked that amount. We're not totally fully funded as it is. If we were to stop the program today and have to pay out all the claims that are on the books, because the way the plan is designed, it's kind of pay as you go. So we budget for what we expect the claims to be in any given year. That has been doing down. We've reduced our budget over the last five years aside from the reserve, like \$245,000 because the actual claims coming in have been coming down and we've had some settlements. So without further analysis, I wouldn't say one way or another. I'm not worried about anything right now but I think that we can take a stronger look leading up to the budget on the Worker's Comp plan.

Chairman Chagnon: That is what I was trying to get to. At this point and time you don't feel that there is any action required or appropriate.

Ms. Crow: No.

Chairman Chagnon: O.k., please go on.

Mrs. Dennison: Other adjustment. Under Increase Appropriation, there is an increase in the municipal sales tax contractual category. That is essentially a pass through department so if you flip to page two or under the Increase Revenue Accounts, there is a commensurate increase in revenue. So we're getting in the money and paying out to local municipalities.

The Emergency Medical Service and Public Health Administration, increase in appropriations, there was a late adjustment in liability insurance that affected those two departments. Then those two departments did have surpluses in some of their other appropriation

accounts so we were able to self-balance within those departments to absorb that increase in their liability insurance.

Just a small adjustment in principal and debt service. Leading into the enterprise funds, these increases in employee benefits are all due to late – the last adjustments of the year, always in other employment, other post-employment benefits, and their pension liabilities related to GASB requirements. So the increase in their employee benefit costs to set aside proper liability for pensions and other post-employment benefits. And for the enterprise funds, we were able to self-balance each fund, either from surpluses that they had in their appropriations or in the case of the North Chautauqua Lake District, we increase their revenue budget because they did have surplus revenues this year. That's it unless somebody wants a comment on the M fund.

Ms. Crow: No.

Mrs. Dennison: But it has corresponding revenue.

Ms. Crow: Yeah, it was related, I'm guessing to a reconciliation. Todd reconciles all the ins and outs of the M fund being the health insurance funds so the retiree contributions so maybe we got a late contribution and then that was a revenue but (*cross talk*).

Chairman Chagnon: O.k., any other questions or comments? Obviously answered all the questions and concerns that the committee or that they are overwhelmed.

Mrs. Dennison: I hope that I can promise that this is the last amendment pertaining to the 2018 budget. This is it. Never say never.

Chairman Chagnon: O.k., hearing no other questions or comments, all those in favor? We have the proposed amendment to the proposed resolution that was described by Kathleen earlier so I would entertain a motion to amend the proposed resolution.

Legislator Gould: So MOVED.

Legislator Nazzaro: SECOND.

Chairman Chagnon: O.k., I have a motion and a second. Discussion? Hearing none, all those in favor of the proposed amendment.

Unanimously Carried

Chairman Chagnon: O.k., on the proposed resolution as amended. There is no other discussion or questions, all those in favor?

Unanimously Carried

Discussion - Changes in County Funding of Jamestown Community College – JCC
President DeMarte/Vice President Martello

Discussion - Chautauqua Lake Issues – Dave McCoy, Mark Geise, Erin Brickley

Discussion – RFP for Financial Advisory – Kitty Crow

Discussion - Update on the AirBnB Status – Kitty Crow/Legislator Chagnon

Discussion - Format of Monthly Budget Performance Reports – Kathleen Dennison

Other

Legislator Nazzaro: MOVE to adjourn.

Legislator Gould: Second.

Unanimously Carried (11:05 a.m.)

Respectfully submitted and transcribed,
Olivia Ames, Deputy Clerk/Secretary to the Legislature – Lori J. Foster/Sr. Stenographer