

Minutes

Audit & Control Committee

Thursday, February 22, 2018, 8:35 a.m., Room 331

Gerace Office Building, Mayville, NY

Members Present: Chagnon, Nazzaro, Niebel, Muldowney

Member Absent: Gould

Others: Tampio, McCord, Crow, Dennison, Caflisch, Griffith, S. Cummings, T. Walsh, Sheriff, P. Brinkman, S. Zafuto, G. Spanos, R. Almeter, J. Cresanti, M. Spanos, J. Melquist, Wisniewski, T. Button, L. Barmore, Abdella, Borrello, Barone, Pantelis, V. Lis, C. Holder, R. Kneer, D. Sanderson

Chairman Chagnon called the meeting to order at 8:35 a.m.

Approval of Minutes

MOVED by Legislator Nazzaro, SECONDED by Legislator Niebel and duly carried the minutes were approved. (1/18/18)

*Unanimously Carried*

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1<sup>st</sup> Privilege of the Floor

No one chose to speak at this time

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Proposed Local Law Intro. 2-18 – A Local Law Amending Local Law 7-90 Providing for the Management Salary Plan for County Officers and Employees (RE: Deputy County Executive for Economic Development and Director of Planning and Community Development)

Mr. McCord: Mr. Borrello will be joining us momentarily. The resolutions before you is actually going to be withdrawn. We did that because there were some questions raised and some language changes that are being proposed and we wanted to give everyone an opportunity to review these and to take a look at the language and raise any questions they might have so we will be resubmitting a revised version at the March meeting. But, in order to have a discussion and just inform people in advance of what this is all about, we're going to come to you this month and have a brief discussion and answer any questions that you might have at this time.

Right now Chautauqua County has been doing business in regards to economic development much the way it's been doing business for 30 years. This is in effort to realign the economic development delivery service that we have here in Chautauqua County. The proposal is based upon Dutchess County. We went to several other counties and looked at how they were delivering services. It is our effort to try to create a one stop shop which we've had some great things happening here with economic development over the past five years. Some real wins however, we're looking to take it to the next level. I talked to George at one point about a book called Good to Great, which is about organizational change. That is kind of where we are. We've been doing really well with economic development. It's just, how do we do better? We feel that that is something that needs to be - I would like for him to have an opportunity to present to you because George has worked out in his own mind where he, as the new County Executive, would like to present and his vision for economic development as we go forward. Although I've worked with him, a large part in creating this. I would anticipate – (*cross talk*).. he said he's be here in a minute.

Chairman Chagnon: May I suggest that we put that in advance and move on for what I am going to suggest to the committee. Mr. McCord is also here today to speak to items 41, 42, and 43 on the agenda so he has asked if we could pull those forward now so that he could address those at this point. So with the permission of the committee we'll move those three items up and so if we can now take number 41.

Proposed Resolution – Amend 2017 Budget for Year End Reconciliations – Planning & Economic Development

Mr. McCord: This proposed resolution is to make a budget adjustment. We have adequate funds in the 6420.8 accounts. We fell a little bit short in the 8020 accounts because there was an end of the year adjustment on our retirement system contribution. It was an \$8,000 adjustment and it put us \$2,000 over.

Chairman Chagnon: Any questions or comments?

*Unanimously Carried*

Proposed Resolution – Accept Grant Funding from New York State Office of Parks, Recreation and Historic Preservation Environmental Protection Fund Grants Program for B2CI Easements

Mr. McCord: Several years ago the Planning Department undertook a plan to create a trail in between Barcelona and Chautauqua Institution. This would be a destination for people to come to year round and I believe it's a good utilization of the 3% funding because it does create a year round versus just a single event for the County to market itself on. We, last year, put in a section of the trail in Mayville. Many of you may have seen the paving that occurred down in front of the Mayville Park. That is one of the phases. This is a five phase project and what we are requesting is a match to a grant that will help us get easements for phases two and three in between the Village of Westfield and the Village of Mayville.

Chairman Chagnon: And what Don pointed out to at the PED committee last evening was that they are looking for \$37,000 from the reserve but he also notes that there is unused portion of the occupancy tax from 2017 in the amount of \$58,000. So, actually this is not draining the reserve because it had been replenished from this same project.

Legislator Nazzaro: That was going to be my next question. What is in the reserve but you have it covered. So it will have no effect on the reserves?

Mr. McCord: It will have no effect on the reserve. There is a designated reserve and an undesignated. The number you usually see is the undesignated and it won't affect that.

Chairman Chagnon: Other questions or comments?

*Unanimously Carried*

Chairman Chagnon: Mr. County Executive, we're taking a couple of resolutions out of order for Mr. McCord so he can leave at the end of the discussion of the local law so if you wouldn't mind, we'll proceed with the last one of those.

Proposed Resolution – Allocation of 3% Occupancy Tax Funding from the 2018 Reserve Account to the Jamestown Renaissance Corporation for “Hello Jamestown” Video Campaign

Mr. McCord: I explained to the committee last night, the PED Committee, that we have run this program for many, many years, managing the 3%, 2% programs without any real hiccups. This year we changed the dates a little bit. We moved it to October. We had a candidate come in with a full application by the date on the 14<sup>th</sup> and it was scanned in and emailed and we have verification of that email, it's just that electronics don't always work the way you think they do and they email did not go to the committee as we thought it did. When the potential applicant came back to us later after the ranking was already over and said, how did we rank? We discovered that they weren't ranked so trying to work through this and be fair, we had the committee come back together and look at this particular application and scored it on the same scoring basis that all the other applications were scored, put it into the overall ranking. It scored very well because it's a good project so the result was going to be one of two options. That was to bump out two of the already designated projects or to consider going into the reserve. I informed the applicant that I'd be more than willing to approach the Legislature as policy makers to make that decision for us. So, the resolution that you see before you is the result of that. The other thing I'd like to point out is, the application comes from JRC. JRC did have some staffing changes in the past year and a half. As a result of that, they were unable to do their project that they had been awarded in 2017 and those monies did come back to our reserve. They are part of what actually funded what we have currently today in our reserve.

Chairman Chagnon: Any questions or comments?

Legislator Nazzaro: I think that's being very fair and obviously I will support it.

Legislator Niebel: So the \$5,272 is merely being offset in part by the staffing reductions? JRC returned some of the reserve funds.

Mr. McCord: They returned approximately \$5,000 (*cross talk*) their 2017 contract because they had asked if they could use it in other ways. We informed them that they were awarded based upon their application for a specific project and that we couldn't just shift that.

Chairman Chagnon: Anyone else?

*Unanimously Carried*

Chairman Chagnon: That brings us back to the proposed local law introductory 2-18 and Don did give the committee a brief preview.

County Executive Borrello: I know that most of you have already heard this and I think that Pierre might be able to recite it so I appreciate you taking the time. Of course, Don explained that we are actually pulling this for this month but tomorrow at 1:00 here and you should have all received an invitation, we're going to be making an announcement here essentially of how we're going to restructure our economic development strategy here in the County and the first steps that we are going to take and those first steps are a new leadership roles. Tomorrow I will be announcing the creation, subject to legislative approval of course, of a Deputy County Executive for Economic Development. This will not be expending any new dollars. It's actually going to be shifting money from the current Director of Planning and Economic Development. In addition to that, Don's role will be elevated to Director of Planning and Community Development. These two people will report to the County Executive. The purpose is, as I've been going through these business visits, what I am finding is that the focus has really been on the IDA but really the IDA's function is more of a tool for economic development. Those are where the resources come from to provide the incentives that we give to businesses to keep, retain, and grow business in Chautauqua County but it is not the economic development strategy department of County government, nor should it be. That's not what its function is. We've spent and I don't know if Don talked about this, but, we spent some time in Dutchess County and Erie County and other counties trying to see a better way and most successful model for us to follow. In fact, having someone who represents the County Executive and the County Executive office and the Legislature when working with these, either current employers or perspective new employers or whatever role they are playing in economic development strategy, we need to have that representative. Right now the focus is basically the IDA and even though the pervious people that have held this role including Kevin Sandvidge, even though the vast majority of their compensation came from their role as a Director of Planning & Economic Development, when they walked in that door, they represented the IDA in the eyes of those people. So, again, I'm a marketing guy, so this is really about rebranding and moving forward in a way that has been successful for other areas. Having these two gentleman, to people I should say, because I'm not making the announcement until tomorrow, we'll be reporting to me because I want people to understand that we are serious about economic development in Chautauqua County and creating this role in the County Executive's office, I think, sends that message that we need to send. In addition to that, we're going to be restructuring and being more inclusive of all of the stakeholders throughout the County that are involved in economic development by creating an economic development alliance which will pull in the municipalities that have their own

economic development corporation and entities currently – people in the foundations throughout the County that are involved in economic development like in the north end of the County, the Northern Chautauqua County Community Foundation and the Local Economic Development Committee and certainly down in the south end of the County organizations like Gebbie and the many foundations in Jamestown that are focused on economic development. Bring in all those folks together and creating a structure where this is not just a table for everybody to sit around and drink coffee and talk about what they are doing, this is going to be the organization that is now going to set our policy and actually implement the strategies and create a one-stop shopping essentially for people that are either, like I said, coming to Chautauqua County or looking to expand in Chautauqua County, whatever issues that we have to deal with, will now all filter through this economic development alliance because we have had a lot of false starts in this County unfortunately because they have been the wrong location or not enough resources or the improper siting, I guess, of where something is supposed to go that had created situations where we had lost opportunities. For the outside looking in, we don't always look like we're organized well enough for people who don't have the confidence to come here and say, who should I speak with? So, it's my hope that if we get everybody's buy-in, we can create this economic development alliance and above that alliance will be an economic development advisory council which will be made up of a lot of private sector folks already involved in business. We want everybody to have skin in the game essentially so we're going to restructure, rethink and base this on successful models we've seen in other counties including Dutchess County. I explained this before to others but Dutchess County is actually, in many ways, even larger than Chautauqua County is very similar. They live in the shadow of New York City like we live in the shadow of Buffalo. They lost a major employers, including IBM which was 20,000 jobs that left Dutchess County all at one time and they face similar challenges when it comes to things like their airports and their aging infrastructure. It took 6 years for them to do what they did so I'm looking to really shorten our cycle here by learning from their successes and the recreation of their economic development strategy and properly utilizing the resources of the IDA along with creating a better more strategic and more inclusive economic development strategy has led to tremendous amount of success in a county that was really – and the County Executive himself will tell you, was circling the drain there for a while so they turned it around. Even Buffalo-Niagara Partnership – invest Buffalo-Niagara, all those other resources that have helped reimagine Buffalo and has created a lot of success there. This follows almost along the same models. That is essentially what I am looking to do and the first step will be with the new appointments and beginning this path now to restructure our economic development.

Legislator Nazzaro: Just one quick question. Obviously you put a lot of thought process in it and you are modeling it after Dutchess County which I think is good. What is the reason behind giving it the title Deputy County Executive because when I think of Deputy, I think of when the Executive is not here, the deputy steps in as the Executive and I know that Mr. Abdella is what you call the acting County Executive so what is the reasoning behind putting that title on there.

County Executive Borrello: All the other counties – a lot of other counties have several Deputy County Executives for different concentrations. In this case, for me, and Don can explain a little bit more on the structure part of it, but for me, this is about that person, again, I'll go through the same role we went through the other night, carrying the weight of County Executive, I want this person to represent my office because what has happened is, we have been going to

these 100 businesses in 100 days, we're now at 56, it creates a different atmosphere. In fact, it's open doors in places where the IDA has not been able to get in to, quite frankly. It's created a more open interaction, a better interaction because the IDA, again, I'm not disparaging the IDA but it's looked at as, almost a sales organization even though they are coming in to provide amazing benefits, their still almost a sales organization in many ways. Whereas this person that is coming in now representing the County Executive's office, I think is going to basically set a better tone and again, showing the fact that we are absolutely serious about economic development and that is why this person reports directly to the County Executive and carries the title of Deputy County Executive so we can have better more productive meetings that I think will be, in the end, create a much better result than we're getting now. I don't know if you want to add to that.

Mr. McCord: I can back up with George said, it's just really structurally, when you think about it, as explained to us in Dutchess County, they didn't do that for the first three years and they didn't have as much success when they –

Legislator Nazzaro: Didn't do?

Mr. McCord: Originally the title was not that, it was just a -

County Executive Borrello: Director of

Mr. McCord: Strategic Planning and Economics and when the County Executive decided to shift that over, it put that person in a position where they had more weight when they needed to call another government policy maker like a Senator or someone because now they are coming with the weight of the office or when they are going to business to open doors.

Legislator Nazzaro: I mean, that's fine. I'm not going to be caught up on a title but when you hear Deputy County Executive, because this is a new title for here, it could be deemed to mean something different like in your place, they are second in charge to be honest with you. I think that is why the language that's in the local law is so important because that lays out exactly what the direction is.

Legislator Nazzaro: Just to be clear too, the funding source here, there is not going to be any additional –

Mr. McCord: No.

Legislator Nazzaro: It's just a restructuring, difference reporting and things and it's not going to effect the County budget, correct?

County Executive Borrello: No, it's a shift of funds.

Mr. McCord: I was going to say eventually we will shift funds from -

Legislator Nazzaro: From one budget to the other.

County Executive Borrello: As you are well aware, at UPMC/WCA Chautauqua, rebranding is an important thing. Just like they did at WCA. This is about now carrying the weight of UPMC with UPMC Chautauqua WCA. So this is a very similar thing. Yes, there has been some great improvements in the hospital but essentially the structure really hasn't changed that much, it's just been rebranded. So this is kind of a similar thing.

Legislator Nazzaro: I do appreciate you wearing UPMC colors, purple.

Chairman Chagnon: Any other questions or comments?

Legislator Niebel: The two new titles that we are creating, the funding for this will be offset, I guess, by not going to two positions in Planning and Economic Development? We're just changing the titles -

County Executive Borrello: Essentially.

Legislator Niebel: Of a couple of the positions in Planning & Economic Development basically.

County Executive Borrello: Yes, so the new person that I'll be announcing tomorrow, Kevin Sandvige, part of his job was the Chief Administrative Officer of the IDA, the Director of the IDA and the other part of his job was the Director of Planning and Economic Development. Now this new person will also still be the Chief Operating Officer of the IDA but instead of being the Director of Planning and Economic Development, they will be the Deputy County Executive for Economic Development. So yes, it's again a shift in the title and then Don's position was the Deputy Director of Planning and Economic Development and he will now be the Director of Planning and Community Development. Again, that's a shift.

Mr. McCord: Primarily title changes each time.

County Executive Borrello: In fact, he still falls within the same range.

Legislator Nazzaro: So when you give the range and I'm sorry, I'm not recognizing our Chair.

Chairman Chagnon: Bear in mind that this local law has been pulled.

County Executive Borrello: And part of the reason was for you all to have an opportunity to ask questions like this so we can represent this in March. You don't have to get all the questions out now, you can ask over the next week or two.

Legislator Niebel: We have time to think about it.

Legislator Nazzaro: Because we do have a short agenda today.

County Executive Borrello: The best part of being County Executive, you have to walk out of the Audit & Control meeting now, right?

Legislator Nazzaro: So the salary range is Range 10. Is that just like for the County piece?

County Executive Borrello: That's the County piece.

Legislator Nazzaro: Then the IDA –

County Executive Borrello: Correct, there are two different compensations.

Legislator Nazzaro: I assume, separate compensations.

County Executive Borrello: Yeah and we're not changing those.

Legislator Nazzaro: You are not changing the ranges of the two.

County Executive Borrello: Well, on the IDA side, they don't do a range. That's more of a, I guess, a civil service thing.

Mr. McCord: I believe not civil service, on the IDA, it's a public authority.

County Executive Borrello: (*Cross talk*) on the other side but that is why there is a range and in the public sector there is no range.

Legislator Nazzaro: So the range for there is set by the IDA Board.

County Executive Borrello: The Board of Directors. Again, this is kind of again speaks to a little bit why we're trying to realign things. The only authority that the County Executive has over the IDA is essentially the appointments. The IDA operates independently. I don't have any, for lack of a better term, veto power over what they decide to do. As I mentioned to people before, the County Executive's job is to appoint people to that board. Obviously that's a separate entity but yet so critically important to economic development. We have the two of them working together but it is very separate whereas this – and really, the vast majority of the compensation for that position comes from the County so it's really more appropriate for people to look at that person as representing the County more so than the IDA.

Legislator Nazzaro: So your appointment is critical because that is what you can control, so I hope the appointment is someone who brings with them a strong economic development background.

County Executive Borrello: That's by plan.

Legislator Nazzaro: That can move the economic development forward in this County.

County Executive Borrello: That is certainly the plan and I think you'll be happy with the choice.

Legislator Niebel: For this big announcement tomorrow, are you serving any refreshments?

County Executive Borrello: Terry, I'll bring something, what would you like, bunch?

Legislator Niebel: Maybe donuts.

County Executive Borrello: Cream filled, alright you got it. If that will make things even better, better transition for economic development, I'm all about donuts.

*(Cross talk)*

Chairman Chagnon: I've lost control. O.k., any other questions?

Proposed Resolution – Amend 2017 Budget for Year End Reconciliation – North  
Chautauqua Lake Sewer District

Chairman Chagnon: This has been amended in committee.

Mrs. Dennison: This resolution has been amended once in committee and we have an additional amendments for this morning. I can do those separately. Does the committee have copies?

Clerk Tampio: They do not have a copy of the amendments from Public Facilities.

Mrs. Dennison: They do not have a copy. O.k.

Legislator Nazzaro: Several of these changed so I'm just conferring with the Chairman. We could change each one and vote on it, it's up to you.

Chairman Chagnon: Change each line item.

Legislator Nazzaro: No, change each resolution.

Chairman Chagnon: That is what we're going to do.

Mrs. Dennison: Each resolution, individually?

Legislator Nazzaro: Yes.

Mrs. Dennison: O.k., proposed amendments to the resolution, under Increase Appropriation Accounts, the second line should be stricken, the fourth line, personal services – sewage treatment, sewage treatment, the new number is \$2,819. There is a line added which is ESN.8130.8132.4, that's contractual, sewage treatment, sewage treatment in the amount of \$20,094. So the Increase Appropriation new total is \$39,510. Sorry, did I need to separate the first amendment from the second amendments?

Clerk Tampio: It's up to the Chairman how? Would you like to know what happened first, the first amendment in Public Facilities or just overall? This draft here includes those amendments.

Mrs. Dennison: Maybe I should just back up. We amended it in committee because there were changes in the financial results and we are working on the financial results everyday so there can be changes every day. So it was changed in committee on Tuesday and then yesterday when Director Cummings and I were going over the resolution, we found an item that needed to be - a financial item that needed to be adjusted yesterday so there was an additional expense (*inaudible*) to the district yesterday.

Legislator Niebel: Mr. Chairman, personally, I don't care what the changes are now.

Legislator Nazzaro: What we're going to vote on.

Mrs. Dennison: O.k., so what I gave you is all the combined changes. Under the Decrease Appropriation Accounts section, the first line, the new amount is \$2,032, instead of \$1,259, the third line, contractual, sewage treatment, sewage treatment, that line should be stricken and we have three new items. ESN.8120.8122.1, personal services, sanitary sewers, sanitary sewers in the amount of \$2,320; another addition ESN.8120.8122.2, equipment, sanitary sewers, sanitary sewers in the amount of \$17,946 and an addition of ESN.8120.8122.8, employee benefits, sanitary sewers, sanitary sewers in the amount of \$3,985, and that brings the total for the category, Decrease Appropriation Accounts to \$30,760 and we had also proposed to Increase Revenue Account, this is an addition. The account is ESN.8120.8132.R226.5000, the classification is sale of property/compensation and the account name is sale of equipment in the amount of \$8,750. So those are the amendment.

Chairman Chagnon: Scott, would you care to explain an overview to us?

Mr. Cummings: I would love to if I could understand most of it myself.

Chairman Chagnon: Let me start you out by saying that your department in total met your 2017 budget. These are, prior to these amendments, these were changes to that. I think the big change from what we had seen previously was the addition of the .4 account of \$20,094. So could you elaborate on that a bit?

Mr. Cummings: That was our last payment to Chautauqua Utility District which came in late. It came in after the third week of January and we had processed that through our 2018 budget which I shouldn't have done that. It should have come out of 17 budget so that is where the issue came in. So, Kathleen helped us straighten that out so that it was taken out of the 17 budget like it was supposed to. I guess that is kind of the reason for these amendments or these changes to this resolution.

Chairman Chagnon: I'm assuming that even with this additional expense that you still met your overall budget.

Mrs. Dennison: That is correct.

Chairman Chagnon: Are there questions or comments regarding these changes? He's still operating within his budget. Thank you for that. There are no other questions or comments, all in favor?

*Unanimously Carried*

Proposed Resolution – Amend 2017 Budget for Year End Reconciliations – Portland-Pomfret-Dunkirk Sewer District

Mrs. Dennison: There are no amendments to these numbers.

Chairman Chagnon: I will point out for the committee that in this department as well, Scott operated within his budget. So these are some adjustments to the budget but he's still operating within his budget. So Scott, congratulations for that. Any questions or comments on the proposed resolution?

*Unanimously Carried*

Mrs. Dennison: Mr. Chairman, just a point of order. The resolution that was amended, do you need to vote on the amendments and then on the amended resolution?

Chairman Chagnon: Sorry. Backing up to the proposed resolution for the North Chautauqua Lake Sewer District, we would need a motion to amend the budget as indicated by the Budget Director.

Legislator Niebel: So moved.

Legislator Nazzaro: Second.

Chairman Chagnon: Any discussion?

*Unanimously Carried*

Chairman Chagnon: Then we'll need a motion to approve the resolution as amended.

Legislator Niebel: So moved.

Chairman Chagnon: All those in favor?

*Unanimously Carried*

Proposed Resolution – Amend 2017 Budget for Year End Reconciliations – South & Center Chautauqua Lake Sewer Districts

Chairman Chagnon: This was also amended.

Mrs. Dennison: The South & Center Chautauqua Lake Sewer Districts, there is just a number change in both classifications. The original figure was \$5,751 and that should be changed to \$7,110. So Increase Appropriations of \$7,110 and Decrease Appropriations of \$7,110.

Chairman Chagnon: I will point out for the committee that Tom was successful in meeting his 2017 budget overall as well. So, good job. Questions or comments?

Legislator Niebel: I will make a motion to amend.

Clerk Tampio: That's not necessary. It was previously - this is the amended copy that was done in Public Facilities.

Chairman Chagnon: So if there is no other discussion?

*Unanimously Carried*

Proposed Resolution – Close Capital Projects and Amend 2018 Budget – South Chautauqua Lake Sewer District

Mrs. Dennison: Director Walsh has asked me to present this resolution, at least the financial component of it. As you recall, last year we went through a review of all open capital projects. When we review the projects for the enterprise funds we found that there were a number of projects that were quite old and had not been used regularly so we did a further review of those projects and this resolution is the outcome of that review. So, we are proposing to close two projects and the rationale for closing them is that the first one, number 27806, that's the reconstruction and repair of sewer lines, that project – it was initiated in 2010 and has not been actively used. So, given the age of the project, our recommendation is that it be closed and the balance returned to the enterprise fund and in the event the district needs to do some major reconstruction that a new project would be requested at that time. Current balance in that project is \$1,416,387 and I should also point out that there was some discussion when we reviewed that in 2017 we used some contingency funds, transferred to contingency funds into this project and there were some questions raised about that and after review we concluded that that transfer was not necessary, that if there were reconstruction work, there were funds in the capital project and capital project funds should have just been used. So, going forward, there will not be any transfers from contingency into a capital project. That is their first step of the resolution is to close that project. The second project 27807, is to replace equipment at the wastewater treatment plant. That project was also initiated in 2010 and there has been little activity at least in the last couple of years in that project. We also concluded that the scope of work in that project really is kind of routine replacement of equipment and it's an operating expense rather than a capital expense. So the resolution is to close that project. It has a current balance of \$554,527 so return those funds to the enterprise sewer fund, fund balance but also to utilize some funds from the fund balance to increase the operating cost of the district. To put in a budget of \$250,000 for the replacement of equipment expected in the 2018 calendar year.

Chairman Chagnon: So in summary, you are closing one capital project that is has been underutilized or there is no projected need for it and returning that to the fund balance. Closing another capital project because in our view it's not really a capital projects, it's more of an operating expense and then allocating a portion of those funds to the operating budget for the proper use of operating expense.

Mrs. Dennison: Correct.

Legislator Nazzaro: Well said Mr. Chairman.

Chairman Chagnon: I have to complement our Budget Director for her diligence in seeing this through. Our focus on capital projects is continuing well beyond our efforts. Any questions or comments? Tom, anything to note?

Mr. Walsh: I think her definition was perfect.

Chairman Chagnon: Alright, if there are no other questions or comments, all those in favor?

*Unanimously Carried*

Proposed Resolution – A Resolution Authorizing the Issuance of \$16,888,000 Bonds of the County of Chautauqua, New York, to Pay the Cost of the Design and Construction of an Extension of the South Chautauqua Lake Sewer District in and for said County

Mr. Abdella: I think the committee recalls back in, I think it was November, this County Legislature approved the extension of the South Chautauqua Lake Sewer District, up the west side of the lake to Stow and this is the next step in the process of putting that project into place. This is a bond resolution for the full \$16.8 million dollar cost of the project. However, what you probably also recall is that the financing for that project was contemplated to be roughly \$9.3 million in bonding and then \$7.5 million in grants. That is reflected in Section 2 of the bond resolution. However Bond Council suggested that we show the and have authorization for the bonding for the full \$16.8 million because EFC will extend to the County no interest financing for the entire length of the project. In other words, what would be the equivalent of a bond anticipation note, they may even actually characterize that way, will allow cash flow for the project at no interest. So the County won't have to fund any funds during that whole construction phase and they will just eventually credit to that amount extended, the amount of the grants. So we would still be contemplating roughly \$9.3 million as the amount to be borrowed. Of course, the users will pay back that debt service.

Chairman Chagnon: Good explanation, thank you. Any questions or comments?

*Unanimously Carried*

Proposed Resolution – Establishment of Capital Accounts for South & Center Chautauqua

## Lake Sewer Districts (S&amp;CCLSD) Extension

Mr. Abdella: Just following up on the bond resolution. This would establish the accounts to allow the project to go forward with this borrowed funds.

Chairman Chagnon: Any questions or comments?

*Unanimously Carried*

Proposed Resolution – Resolution of Intent to Acquire Town of North Harmony Sewer District Facilities and Property Interests for the Extension of the South Chautauqua Lake Sewer District

Mr. Abdella: Part of the footprint of the expansion, there is the area that is going to be provided new service with the \$16.8 million dollars in improvements but then there was also a small portion of the expansion area for the County district that contains a current Town of North Harmony district that is already hooked up to the South & Center district and its treatment facilities.

Mr. Walsh: They convey their sewage to the South and Center but it is maintained by the BPU.

Mr. Abdella: So as part of that expansion, this Town district area would now absorbed into the South Chautauqua Lake Sewer District. As reflected in the resolutions adopted, those users will pay as they do now the operation and maintenance charges that all existing South and Center sewer district property owners pay.

Mr. Walsh: Correct.

Mr. Abdella: The State Comptroller asked us to as part of the review of our application, that both the County and the Town pass resolutions confirming the intent to have the Town facilities transferred to south district.

Chairman Chagnon: Any questions or comments?

*Unanimously Carried*

Proposed Resolution – Authorize Agreement for Purchase and Removal of County Owned Timber from Property #9 on Warner Road in Town of North Harmony

Mr. Spanos: Continue our timber master plan that we developed in 2010/2011. We released a bid this year, late last year for the reforestation property number 9 in North Harmony and we have accepted one bid of \$100,107.

Chairman Chagnon: And the funds will be used for?

Mr. Almeter: Parks.

Mr. Spanos: Capital improvements.

Chairman Chagnon: Any questions or comments?

Legislator Niebel: Two bids, this is the highest one, right?

Chairman Chagnon: Alright, any other questions?

*Unanimously Carried*

Proposed Resolution – Establish Multiyear Parks Capital Improvement Accounts

Mr. Spanos: This will give us the flexibility on managing the capital improvements (*inaudible*), to put all our timber sales into one account.

Chairman Chagnon: And the amount includes some additional funds in addition to the amount in the previous resolution?

Mr. Spanos: Yes. We had a sale earlier last year.

Mr. Almeter: Parks in 2017 had a sale which netted the County about \$62,000. It's those funds along with timber, proposed sale that was bid in December, would be the funds that go into this account.

Chairman Chagnon: Where have those funds from the previous sale been residing?

Mr. Almeter: I believe they have been in –

Mr. Spanos: In the Erlandson Park temporarily.

Chairman Chagnon: Let me rephrase my question. The proceeds from that sale, where are they currently accounted?

Mr. Almeter: In the Erlandson Phase II capital project.

Chairman Chagnon: So they are applied to that capital project.

Mr. Spanos: They were temporarily placed there instead of creating a new account.

Chairman Chagnon: So this withdraws the funds from that capital project then.

Mr. Almeter: Right. That project was essentially – the first phase of the project was completed several years ago, the project remained open because we are contemplating additional improvements to the fixed facilities there. We don't have a detailed project plan or a solicitation

to do that Phase II work currently. But that is where the money was put because it was an open project.

Chairman Chagnon: So that capital project for the Erlandson Park, will now be closed?

Mr. Almeter: Phase I is closed. Phase II is an open requirement but we don't have a solicitation to put out for bid for that Phase II work.

Mr. Spanos: Eventually we will close all the open capital projects that we have in Parks and put all the projects here.

Chairman Chagnon: O.k., thank you.

Mr. Spanos: We have the Erlandson Park and Luensman and we'll close all the capital accounts.

Chairman Chagnon: Perfect, thank you.

*Unanimously Carried*

Proposed Resolution – Amend 2017 Budget for Year End Reconciliations – Public Facilities  
Transportation Division

Mr. Spanos: I know we had a lengthy discussion during budget about stockpiling and inventory and I think these accounts adjust the snowplow account within all the D funds and we can go into details if you would like.

Chairman Chagnon: What strikes me is that the D.5142.4, the contractual for snow removal, the budget was a million four fifty three and now we're increasing it by \$1.341 million, so I think that we need to understand that.

Mr. Spanos: There are three major items that are in that number. One of them is, you remember in October we made a budget adjustment to the salt account. It was a little short and we had \$250,000 but we were short about sixteen so that netted about to \$135,000. Then the total usage for December alone was \$715,000 so November was about twenty five so that is the first major number. The excessive amount of salt usage in December. The second one is because of the difference of – every year we have to adjust our salt account. We made recommendations which I believe it will be better to manage to pay for the salt as we purchase it versus as we use it and take it out of the inventory and that accounts for \$503,000. Then as far back at least, 2009, when change in software to Soft Works took place, that should have been an adjustment of 3,000 tons of salt that was not made and it's being made now and that's about \$185,000. So the \$503,000 is probably 2018 budget and not 2017 but it doesn't really matter. It's all going to be balanced at the end because it's salt that we have in our inventory to be used. As long as it's balancing December 31, 2017, it's salt that we have in our barns.

Legislator Nazzaro: You are converting to the new way in 2018 so that \$503,000 would be in 2018.

Ms. Crow: It's the write off of the existing inventory to (*cross talk*) 2018 to get to expense it and to purchase it. So we have to expend everything that we purchased up until now as of the end of 2017 (*inaudible*).

Mr. Spanos: I don't think that there is any wrong or right, either way.

Legislator Nazzaro: I think that it is important to note as we talked about in Public Facilities how you have installed a used scale on the loader and you may want to brief what you talked about.

Mr. Spanos: The complication with the salt is that, we purchase the salt and it's weighted at the mine and the once it comes, everything changes because most of the content changes. You place it in the barn and you drive the loader and it compacts it, it changes it – you have some loss and you have some gains because when you drive a loader or you push it into the building with a loader, you have some losses obviously. If it rains during that time, you have some losses but also because of gaining moisture content, the weight increases. So when you dig in with the bucket of the loader, that is where the scale is, it actually weighs one time and then you go out and distribute it, deicing for the roads. The leftover comes back, of course it's been wet, so it weighs more then you weigh it again with the scale on the loader and you put it back in the salt shed. So there is too many variables to be accurate with salt inventory and then you have a pile of salt and you ask for an inventory in December that the salt barn is full and you go out there and take certain measurements and you make certain estimates of how much salt we have. Do my recommendation is, because also I wanted to mention that we have shared services with the municipalities. We share the salt sheds. Sometimes people forget to write down what they took so what we did was, in the Falconer facility that we have the most usage with share services, we have installed a new scale on the loader that would necessitate the operator to put the identification number in order to operate the loader.

Chairman Chagnon: I have a question on the revenue. Where were proposing to increase the revenue account for Federal-aid for the FEMA disaster reimbursement of \$445,000. I'm not sure exactly how I would phrase this question but what strikes me is, we 're dealing with salt and snow removal, yet we're applying funds from a FEMA disaster recovery. Is that appropriate?

Legislator Nazzaro: It's not at all related to any of this.

Ms. Crow: It is revenue that we received as surplus so whether we use that or something else to adjust the accounts, doesn't really change our bottom line at the end of the day but we could use D fund balance and then let the revenue go to surplus that would increase fund balance. It's one of those things like all these year-end amendments that we have to true up the account so it's not like we're -

Chairman Chagnon: Let me ask the question this way. The Federal-aid that we receive from FEMA for disaster reimbursement was used properly for the reason that we were given that additional aid.

Mr. Spanos: In 2015, we had a major flood in the north part of the County and we went ahead and we did the necessary corrections, reconstruction to our roads, culverts and bridges. Thank you to Senator Young for being determined to get this funding through the State so this is pretty much State funding, not Federal. We received \$485,000 so it has been used for maintaining our roads.

Chairman Chagnon: So for the work that was done, the expense that was incurred was prior to 2017 so that impacted the fund balance in 2015 or 2016 and then this would have replenished the fund balance. So it's not like we're utilizing the funds incorrectly it's just that we're balancing the books.

Ms. Crow: Yeah.

Chairman Chagnon: Your shortcut through the fund balance. I just wanted to clarify that so there is no misunderstanding.

Legislator Nazzaro: Would that create because I always believe in transparency, like if this is ever audited, at the end of the day, the result is the same but to Pierre's point, would it better to show it coming out of fund balance and then replenishing it?

Ms. Crow: We're going to get audited on our actual results, not how we budgeted.

Legislator Nazzaro: Not how you budgeted but to the Chairman's point, George explained how we used it but –

Ms. Crow: We're going to get audit that the expenses – we have to submit a claim to FEMA and say these are the expenses that we incurred and are eligible for reimbursement and as long as those expenses were eligible expenses which they wouldn't have sent us the money if they weren't, now we're (*inaudible*) the reimbursement.

Legislator Nazzaro: You received the reimbursement two years later for 2015?

Mr. Spanos: Just to let you know what happened is, when the flooding in Ontario Lake was happening, the State, the Governor wanted to appropriate some money towards the people that were affected in that area. Senator Young said that, yes, I am in agreement with that but you have reimbursed Cattaraugus and Chautauqua County for the damages that they received in the flooding of 2015. So, it was a decision to fund the 2015 in 2017 through State money. So, actually we may want to change this because it's not FEMA, it's State money. I'm just giving you the background of how we received it two years later. It was a credit to Senator Young that we received the money.

Mrs. Dennison: If I could just weigh in on a comment. The reason we used it in this resolution is that there is no budget for this revenue in 17' because it was not assured. But it was received in 17' so in my view, it's a straight surplus. We've used this mechanism in other departments as well. If it's a revenue item that is true surplus in 17', you've used that surplus to balance other departments if necessary.

Mr. Abdella: (*Cross talk*) any surplus is going to lapse to the fund balance. That's just how it is. You could reflect in all the resolutions that those surpluses would have gone into the undesignated fund balance but I think that is understood.

Legislator Niebel: I think that it is just a question of whether or not this is an appropriate use of the FEMA money. You guys think is it.

Ms. Crow: I don't characterize it as saying that we're using the FEMA money to pay for the salt. It's that we're balancing the budget accounts. The FEMA money received is for the expense we incurred in 2015. The expenses is associated with that money. We're just balancing the budget side.

Legislator Niebel: Understood.

Ms. Crow: We received FEMA money now and we're paying (*cross talk*)...

Legislator Nazzaro: Again, we talked about this in detail in Public Facilities and I'm not sure I asked this question. I'm in support of changing how you going to - as you purchase the salt you'll be getting expensed that will prevent these types of (*inaudible*) up now, the differences. I guess I look at this the second time, the decrease in appropriation for maintenance and roads, between personal, benefits, and all of that is almost \$900,000. That tells me we are over budget in those areas by \$900,000. How were we able to account for \$900,000 because you are decreasing those appropriations?

Ms. Spanos: That was the major driving force. We received extra money in the extreme weather so we did a lot more capital so we charge our personnel towards capital and not towards maintenance. That's why we have - the money was spent.

Legislator Nazzaro: So this is the capitalization of the labor?

Ms. Crow: They budget every year for portion of their labor to be allocated to capital projects. (*Inaudible*) they just had a significantly greater amount.

Legislator Nazzaro: So normally if we didn't have this difference in the salt, that would have been going to fund balance?

Mrs. Dennison: Yes.

Chairman Chagnon: Any other questions or comments: George, I appreciate your sharing with us the explanation of the additional contractual expense. To be honest with you, I wasn't able to capture all that sitting here so I would appreciate if between Finance and your department, we could get a detailed explanation of what \$1,341,710 amounts to. I would point out to the committee that the D fund met their budget so these adjustments are not in total adjusting the budget. I congratulate you for meeting your budget, I just would like to better understand that detail, that snow removal and salt transaction. We don't have to do that today.

Mr. Spanos: I just want to understand that you want in details how did we come up with the \$1.341?

Chairman Chagnon: Yes sir.

Mr. Spanos: O.k.

Chairman Chagnon: If you could share that with the committee, I would appreciate that.

Mr. Spanos: Sure.

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

*Unanimously Carried*

Proposed Resolution - Amend 2017 Budget for Year End Reconciliations – Public Facilities  
Road Machinery Division

Mr. Spanos: This is to balance the DM account and the main overage is based on the diesel fuel price increase and also in the inventory. As our fleet ages, our maintenance goes way up and I think that will continue until we make a commitment to our fleet management, better replacement program.

Chairman Chagnon: So the contractual charges relate to the maintenance or to the fuel?

Mr. Spanos: To both.

Chairman Chagnon: So the fuel cost adjustment was the majority of that?

Mr. Spanos: Eighty six thousand and seven hundred thirty one for diesel. So it's \$117,000 was fuel and \$40,000 was subcontractor.

Chairman Chagnon: I would point out to the committee for the DM department, the budget results were very close to being within budget. Just a shade over for such a large budget. Any other questions or comments on the proposed resolution?

*Unanimously Carried*

Proposed Resolution – Amend 2017 Budget for Year End Reconciliations – Public Facilities

Mr. Spanos: This is to balance the A accounts in the main number that I can speak of is for CARTS. In the original budget we had not included the Mobility Manager and we got that funding through the State through Chautauqua Opportunities and that is the major adjustment. The other one is the contractual for Buildings & Grounds, \$10,000 which is attributed to additional work in the Jail. The last one of course is the rent that we had not budgeted for the South County Office building, for the three months, October, November, and December.

Chairman Chagnon: That's for rent?

Mr. Spanos: Yeah.

Chairman Chagnon: I suspected that. So in CARTS, we are reflecting an increase in the appropriation and an equal increase in the revenue.

Mr. Spanos: Yes because we got the funding from the State.

Chairman Chagnon: Any questions or comments?

*Unanimously Carried*

Proposed Resolution – Amend 2017 Budget for Year End Reconciliations – Landfill – Environment

Mr. Spanos: This is to adjust the contractual cost for the landfill. We can go into details if you would like.

Chairman Chagnon: Any questions?

Legislator Nazzaro: The only thing that I want to point out from Public Facilities, the last item increase revenue from the sale of recyclables, I had asked the question how much are we over and just as an FYI for 2017, if I wrote this right, we had budgeted \$50,000 and we actually had sales of \$132,000. So then we had budgeted -

Mr. Pantelis: For 18' we had budgeted \$100,000.

Legislator Nazzaro: I mean, that's good, the revenue from recyclables is growing finally.

Mr. Pantelis: There is no guarantee.

Legislator Nazzaro: I think our 2018 budget is more in line with what we are seeing now historically because fortunately we did have this excess surplus.

Mr. Spanos: And the other one is the fuel of course is the major contributor.

Ms., Pantelis: Where we had some one-time expenses, we made some major repairs at the transfer station for the contractual in the North County Transfer Station, the South County Transfer Station, \$50,000. We (*inaudible*) the compactors. That was one time. It wasn't a regular maintenance. Other than electric hookup for the new trucks there was one electric vehicles that we have at the transfer station that was again one time unanticipated and (*inaudible*) was \$20,000 over. Leachate generation (*inaudible*) was \$40,000 over because of the weather. Leachate generation was up (*inaudible*). Then for the closed landfills, we had an accident or one of the power poles broke after 30 years so we had to replace that as an emergency because it supplies

power to our pump house so that wasn't part of the regular maintenance or expenses. For the recycling, the \$11,000 over were for depreciation of a new roll of track that we bought for recycling. The previous roll of track was already (*inaudible*) depreciated, it wasn't in the previous budget so we replaced it. They were about \$18,000 unbudgeted for that. But, it came out of the extra revenue from the recyclables.

Mr. Abdella: I'm not sure of the numbers but just wanted to mention of course that there were outside counsel costs associated with the ongoing litigation with the Town of Ellery regarding the landfill expansion that we're (*inaudible*). In any event, there would not be a normally budgeted item. I am not sure it's reflected in here but (*cross talk*).

Mr. Pantelis: Those went to the capital portion (*inaudible*).. (*cross talk*).... because they were directly related.

Chairman Chagnon: To the capital project, yes. Questions or comments on the proposed resolution?

*Unanimously Carried*

Proposed Resolution – Authorize Supplemental Agreement No. 3 with NYSDOT for PIN 5761.00

Mr. Spanos: Once again this is to adjust a capital account for improvement of the South Main Street bridge and to make adjustments for the other ones doing the design phase because the engineer firm had to do some more alteration design and also to include the entire construction inspection and construction management phase.

Chairman Chagnon: I will point out to the committee that the \$234,000 increase in the project resulted in \$11,700 local share. That is what we're dealing with is the local share aspect. Any questions or comments?

*Unanimously Carried*

Proposed Resolution – Approving SEQRA Determination for New Fuel Farm at Dunkirk Airport

Mr. Spanos: The comments I'm going to make are for the next three resolutions, if I may. As you are aware last September we were faced with an unanticipated situation at the Dunkirk airport where the FBO cancelled, prematurely cancelled the agreement that we had and so we had to make some changes in order to have it continue operations at the Dunkirk airport. One of them now is, we leased under an agreement with a FBO, the underground fuel farm and our recommendation is to build an above ground fuel farm that will serve the aviation public and also take us out of the underground tank fuel farm that is about 30 years old. Since 1982.

Chairman Chagnon: Since we are talking about all three of the resolutions, this was reviewed with the Planning Commission?

Mr. Spanos: Yes.

Chairman Chagnon: And the Planning Commission came to a determination on this project?

Mr. Spanos: Yes.

Chairman Chagnon: Which was?

Mr. Spanos: To go forward. They approved the project.

Chairman Chagnon: O.k., and the Airport Commission reviewed this project?

Mr. Spanos: Yes.

Chairman Chagnon: And their recommendation was to?

Mr. Spanos: To proceed.

Chairman Chagnon: Anyone else? Public Facilities?

Legislator Nazzaro: Our County Executive was here but the benefits of doing this, I think were well presented. Do you just want to highlight?

Mr. Almeter: We didn't talk very much about the liability of the existing fuel storage infrastructure. What we have are 2 tanks that date from 82', they are single hold tanks that are highest risk, I guess, of any currently approved underground fuel storage systems and then we have two tanks that are about 10 years newer. Those are double hulled or they are in a vault which are slightly less risked but still an elevated risk profile. So the County has successfully assigned this risk to Dunkirk Aviation for the entire operating history of the FBO while they were there. As you know, they vacated the lease, walked away from it on November 1<sup>st</sup> and while they are still technically liable for the environmental aspects of the fuel storage system, the County and CREDEC under the IDA are currently operating those tanks so some of that liability is gradually moving into our lane and we have to address it sooner than later because the tanks are so old. Maybe Steve can expound on the liabilities.

Chairman Chagnon: Yes, in particular your reference to the fact that the County was successful in assigning the liability to Dunkirk Aviation. Could you elaborate on that?

Mr. Abdella: Well, I think we will be seeking to still try and work with them as far as the eventual removal of those tanks but what can't be escaped is as the owner of the property, we're always going to be subject to potential liability there. I think that it's worthwhile for us to mitigate those potential liabilities by moving to a new system. Start the process of decommissioning the existing system.

Mr. Almeter: The State kind of changed the equation a little bit. In 2012 as well prior to that, the registered owner of the tanks was Dunkirk Aviation. New York State changed the law that said if the tank is on – the tank needs to be registered to the property owner and you can assign operation of the tank to a third party but it's registered to the property owner. So, that happened in 2012. Again, continued to operate or and we continue to operate with the Dunkirk Aviation as the operator until November 1<sup>st</sup> and then the operator became the IDA/CREDEC.

Chairman Chagnon: I did have one question and this relates more to the second resolution but we are proposing to financing for the project for a maximum estimated cost of \$650,000 in bonds. But what I was told the Planning Board was presented with an estimated cost of \$550,000.

Mr. Spanos: That is correct.

Chairman Chagnon: And that is what the Planning Board based their recommendation on was \$550,000.

Mr. Spanos: I think because you cannot go higher in the bond level, if you bond for \$550,000, it locks you in that number. We elected afterwards to increase it but we hope that we still can do it with the (*inaudible*).

Legislator Nazzaro: And I'm sure as you know Mr. Chairman, as the Finance Director pointed out, these will be rolled into – this financing will be part of a bigger bond, correct? For other projects.

Chairman Chagnon: So, my discomfort is that the Planning Board approved a project for \$550,000, do we still anticipate it to be a \$550,000 project but we're allowing for \$650,000 in bonds just to be careful or do we now think that this is a \$650,000 project that the Planning Board approved less.

Mr. Spanos: I just want to say that as with all the other capital project, this is an estimate before design. It's very hard to have a hard number when you don't even have a location, where to place the fuel system. But, this is our best estimate is \$550,000.

Chairman Chagnon: O.k., that was the answer I was hoping you were going to give. So there is no need to go back to the Planning Board, this is a financing issue that we're issuing \$650,000.

Mr. Spanos: Correct.

Chairman Chagnon: Everybody else o.k., with that? Unless there is anything else you'd like to present in general, we can go through the individual resolutions. So this first resolution is approving the SEQRA determination for the new fuel farm at Dunkirk airport. Any questions or comments from the committee?

*Unanimously Carried*

Proposed Resolution – A Resolution Authorizing the Issuance of \$650,000 Bonds of the County of Chautauqua, New York, to Pay the Cost of the Design and Construction of a Fuel Farm at the Dunkirk Airport in and for Said County

Chairman Chagnon: Any questions?

Mr. Abdella: There is a Section 5 in this resolution currently that speaks to the possibility of getting New York State Environmental Facilities Corporation financing. I spoke to bond counsel and we don't really believe that that is realistic. It's not really contemplated either as being available so the suggestion would be to go ahead and amend to remove Section 5 and renumber the sections that come after it accordingly so I did print out a new version that has a Section 5 removed and you could amend by substitution to adopt that resolution to recommend to the full Legislature without Section 5.

Chairman Chagnon: So bond counsel advised that that was unlikely. On what basis was the Section 5 included? Who's expectation was that?

Mr. Abdella: No one's expectation. Just to carry over from the prior template.

Chairman Chagnon: So this isn't any change to your plans?

Mr. Spanos: No.

Chairman Chagnon: So, I would entertain a motion then to strike Section 5 and renumber.

Legislator Muldowney: So moved.

Legislator Niebel: Second.

Chairman Chagnon: All in favor of the motion to amend the resolution?

*Unanimously Carried*

Chairman Chagnon: Any additional questions or comments on the resolution as amended?

*Unanimously Carried*

Proposed Resolution – Establishment of Capital Accounts for New Fuel Farm at Dunkirk Airport

Chairman Chagnon: Any questions or comments on this proposed resolution?

*Unanimously Carried*

Proposed Resolution – Authorizing the Sale of Curtis Street Residential Property Owned by JCC

Mr. Abdella: This property which includes a total of 50 acres was purchased by JCC back in 2012, I believe. The County contributed one quarter of that purchase price of roughly \$400,000. One quarter being, I think, \$100,000. The State contributes half of those acquisition costs and then the JCC Foundation, the other quarter. Upon taking title to the property and attempting to utilize the property, JCC found that the house and surrounding acreages really not going to be practical for college use and so they would desire to put that portion of the 50 acres up for sale and continue to retain the 42 acres. So this resolution which has been approved by the JCC Board of Trustees and is also being put forth to the other sponsors, the City of Jamestown and the Cattaraugus County Legislature, would authorize the college to sell the residents, pole barn and 8 acres for a price not less than \$300,000. What I mentioned to the other committee was, we would come back to the County Legislature at the point and time when they actually consummate a sale and attain the proceeds and get the County Legislature's authorization as to the disposition of one quarter share of those proceeds which would be deemed to be allocated to the County. So JCC may, at that point, make a pitch to utilize those funds for another college purpose but the Legislature will have to decide whether to authorize that or instead receipt back the one quarter share of the proceeds.

Chairman Chagnon: Any questions or comments? Steve, when was the property purchased?

Mr. Abdella: In 2012 or 2013. This adjoins the Roger Tory Peterson Institute property also inside the college.

Chairman Chagnon: It's unfortunate that the appearance of less than ideal planning comes to mind.

Mr. Abdella: I think that it would have been difficult to acquire just the land at that time or so it appeared but yes, I think they also thought that it could make use of the house but it has turned out otherwise.

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

Legislator Niebel: So Chautauqua County may get a quarter, Cattaraugus gets a quarter, and JCC or there about?

Mr. Abdella: The way it's worked with these types of projects is that only the sponsoring county had been contributing to improvements within their county. So Cattaraugus would pay a share of any improvements to the Olean campus. So, in this case, Chautauqua County paid one quarter, the Foundation one quarter and then the State the other percent. So the State I believe will be getting back 50%.

Chairman Chagnon: Any other questions or comments?

*Unanimously Carried*

Proposed Resolution – Amend 2018 Budget Appropriations – Real Property Tax Office

Mr. Caflisch: What we had Mr. Chairman was a change in form we used for the mailer for the foreclosure process. We had to redesign and as a result another project that we had to improve our temporary receipt process was going to be left short so we had to change that form. Otherwise we would run the risk of not being able to serve by certified mail the foreclosure process so I just moved \$6,000 around and hopefully I will be o.k. at the end of the year.

Chairman Chagnon: Any questions or comments?

*Unanimously Carried*

Proposed Resolution – Amend 2017 Budget for Year End Reconciliations – Clerk, Legislative Board

Clerk Tampio: We had a small overage of \$355 in the .4 contractual for the Clerk of the Legislative Board. It would not have occurred except the shared communications charges that are calculated outside of our office in Finance, went over the established budget for 2017. So, we had unexpended funds in the .8's of the Clerk of the Legislative Board so we offset that overage by that amount. I just want to also give you a quick little summary of the three budget centers that the Legislature is responsible for. The Legislative Board, the Clerk of the Legislature, and the Coroner's budget. In each one we came in under budget and overall returned \$34,830 to the general fund. However, we must note that those are numbers from the amended budget and a significant amount was the Legislative Board. Amended their budget to take \$50,000 from general fund balance in order to pay for the GRI community assistance for dissolution. If that had not occurred, the Legislative Board would have been over budget by about \$45,000.

Chairman Chagnon: Thank you for that summary and congratulations on your fine job on managing your budgets. Any questions or comments to the proposed resolution?

*Unanimously Carried*

Proposed Resolution - Amend 2017 Budget for Year End Reconciliations – County Clerk

Chairman Chagnon: I am told this was amended in committee.

Mr. Barmore: Do you have the amended resolution?

Chairman Chagnon: I think (*inaudible*) has the amended resolution so do you want to go through the amendments Kathy?

Clerk Tampio: Yes, the Increase Appropriation accounts, the 6610., employee benefits, Weights & Measures, that number was amended from the original prefile from \$879 to \$891 and the corresponding difference in the total which the new total is \$9,588. Likewise in the decrease appropriations, the 6610., contractual, Weights & Measures, the original figure was \$879 and it's now \$891 for a total of \$9,588.

Chairman Chagnon: Mr. County Clerk.

Mr. Barmore: I guess the only one that we really have any control over is the personal services and that was \$831. Obviously overspent that in the Clerk's office by the \$831 but we had plenty of money in the department to transfer over to cover for that. The big one is the \$7,521 and basically what that amounts to is a person with a single insurance left our employment and a person with family insurance came in and it's something that we have no control over but we had enough money within the department to cover it.

Chairman Chagnon: Just to elaborate on that for the committee. The County Clerk's departments all met their budget so congratulations for a job well done.

Mr. Barmore: Thank you. Just as an aside, I would like to let you know that between the DMV and the Clerk's office which, you know, we have some revenues that other departments don't get, our revenue exceeded expenses by \$283,000 last year. In the Weights & Measures Department which we also have revenues for checking scales and gas pumps and things like that but when you get \$10.00 to certify a scale or gas pump and it's an hour and a half worth of work, it's hardly a profit making endeavor but 2014 our deficit of revenues versus expenses was almost \$60,000 this year we were able to get down around \$22,000. A lot of that has to do with the unit pricing law, getting new stores to come on board, freeing up some time and getting out there and do more work. This week PetMore, as you probably know has announced that they are closing in Dunkirk and they currently owe us a \$1,000 and Tops Supermarkets filed bankruptcy yesterday and they currently owe us \$8,000. I don't know where we stand on collecting those fees at this moment but I like to make you aware of it now.

Chairman Chagnon: O.k., thank you. Any questions or comments for the Clerk?

*Unanimously Carried*

Proposed Resolution - Amend 2017 Budget for Year End Reconciliations – Board of Elections

Chairman Chagnon: I would point out for the committee that the Board of Elections did meet their 2017 budget so thank you for that. Please help us understand the proposed resolution.

Ms. Sanderson: The Board of Election personal services are over budget. We did have a full time employee that went out on sick leave which then did incur some additional (*inaudible*) for some employees and had to be replaced with some of our time. With that we had various savings in our contractual. Without having a Countywide primary, we didn't have to hire as many inspectors as we would normally for a Countywide and also we saved on the purchase of ballot paper which is a huge savings.

Chairman Chagnon: Any questions or comments?

*Unanimously Carried*

Proposed Resolution – Amend 2017 Budget for Year End Reconciliations – Information Technology Services

Chairman Chagnon: This was also amended in committee.

Clerk Tampio: Mr. Chairman, I have the Deputy Clerk print out copies of all the succeeding resolutions including this one as amended in other committees so I'd like to give everyone a copy of those.

Chairman Chagnon: O.k., we now have the amended resolution in front of us.

Mrs. Dennison: Chief Information Officer DeAngelo is out of town so he asked me to speak on his behalf. If you want me to walk through the amendments, I do see one additional item that needs to be adjusted in addition to the amendments that you have. Under the Increase Appropriation accounts, A1670.1, contractual, Print Shop, that should be a .4. Perhaps you could treat that as a typo.

Chairman Chagnon: We'll treat that as a typo. Kathy you are o.k. with that?

Clerk Tampio: Yes sir.

Chairman Chagnon: Are any questions or comments on the proposed resolution? I was looking forward to Jon being here this morning because I had two questions regarding his revenues. Perhaps Kathleen you could help us with that. Office Services, share services revenue is short by \$86,000 and Information Technology share services revenue was short by \$101,000. Could you help us understand how our shared service revenues are off by that much?

Mrs. Dennison: Share services revenues, there is two items going on with the revenues. One is that office services includes the postage revenue and there is a decrease use of postage and then a decrease in expenses that go with that.

Chairman Chagnon: So those offset.

Mrs. Dennison: Yes. Then the share services, there has been a change in the reimbursement rules for the Health Department in 2017 so unfortunately Information Services Department is not able to charge out – the Health Department cannot claim the IT expenses so the IT Department does not get those revenues. Those rules changed in 2017 so when the budget was developed, that was not anticipated. However in the 2018 budget, that change in reimbursement rules has been implemented into the 2018 budget. So unfortunately you see in the 18' budget a decrease in those revenues and then an increase in the overall local share for Information Technologies.

Chairman Chagnon: And in the additional expense for contractual for the Print Shop, as I understand was offset by additional revenue?

Mrs. Dennison: That is correct.

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

*Unanimously Carried*

Ms. Crow: Mr. Chairman, since I'll be here until the end, I don't mind if the next three resolutions are moved to the end of the agenda so other departments can go ahead.

Chairman Chagnon: I think we're all o.k. with that.

Proposed Resolution - Amend 2017 Budget for Year End Reconciliations – Unified Courts

Mrs. Dennison: The Assigned Counsel area is one area that the numbers change frequently and there is an additional amendment to the amended resolution. So, I can offer the amendment or I can give you the final numbers, which ever you would prefer. Just to clarify, the amendment proposes to Increase Appropriations for Assigned Counsel to \$148,830 and the overall increases in the appropriations of \$149,757. In the Decrease Appropriation side, we are decreasing Community College tuition, \$141,312 for an overall decrease of \$149,757. As you can see the bulk of the resolution is due to an overage in the Assigned Counsel expenses, balanced by a reduction to the Community College tuition contractual costs.

Chairman Chagnon: I would point out to the committee that the Assigned Counsel budget for 2017 was \$605,000 and they went over that by roughly 20% and the 2018 budget is the same figure. So this brings the continuing question of what are we doing about our Assigned Counsel crisis? I don't think that there is anybody here to address that question today but this is certainly something that we should refer to the County Executive to give us his perspective on this. So if the committee is in agreement with that, I will relay that question to the County Executive.

Legislator Nazzaro: Absolutely.

Mrs. Dennison: Mr. Chairman, if I could just double check, I believe the budget for 2018 has been reduced from \$605,000 so for 18' the budget is actually lower than that. It's \$524,154. It was reduced in the Audit & Control Committee during the final budget preparations.

Legislator Nazzaro: I can't remember the reasoning behind that.

Mrs. Dennison: The reason was that since we're increasing all of the Public Defender's to full time, the logic is that they would have fewer outside conflicts, fewer conflicts of interest so that not as many cases would not be referred to outside counsel.

Legislator Nazzaro: So going to our Chairman's point, I think that it is important to remember we supported that and we want to monitor that we're hopefully receiving the benefits of that (*cross talk*) in reduced Assigned Counsel. If not, we're going to have a budget gap.

Mrs. Dennison: On a potentially positive note the expenses so far for 2017 are less than the two prior years. However, as I said, this account is given two late adjustments so there is a chance that it could change but the total in 2016 was almost \$950,000 and \$913,000 in 2015. So, as I say, it is currently about \$200,000 less than in 2016.

Chairman Chagnon: So we're moving in the right direction. We just need more movement. O.k., any other questions or comments on the proposed resolution?

Legislator Niebel: Kathleen, do you know what the total surplus was in the Community College tuition fund? Here we're taking \$141,000 out of it. Do you have any idea what the total surplus money is?

Mrs. Dennison: Yes, let me look that up for you.

Legislator Niebel: It seems like we have a surplus in that account every year.

Mrs. Dennison: Community College tuition, the surplus in that account is \$194,539.

Legislator Niebel: So we're using \$141,000, so there will still be about \$50,000.

Mrs. Dennison: Yes.

Legislator Niebel: Are we using that to balance any other department that you know of?

Mrs. Dennison: No.

Legislator Niebel: So that should go to the fund balance?

Mrs. Dennison: Correct.

Chairman Chagnon: Or Terry to offset shortages of revenue.

Legislator Nazzaro: In my opinion, from maybe a budgetary standpoint that may be positive but that just indicates the difficulty that JCC is having in the lower enrollments. It's not a good thing, over all in my opinion because they are having less students.

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

*Unanimously Carried*

Proposed Resolution – Amend 2017 Budget for Year End Reconciliations – Emergency Services

Mr. Griffith: These changes in the budget are some basically some cleanup charges in Emergency Services. Employee benefits, personal services, all offset by other funds in our

department. A lot of it is the start of the new Fly Car system, change of Director and things like that.

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

*Unanimously Carried*

Chairman Chagnon: While we have you here, you may have spoken, I'm not aware but you may have spoken to Public Safety about the Fly Car program.

Mr. Griffith: I did speak to the Fly Car program. Actually I have a copy of where we are at with the Fly Car program at this time. All the calls that we have done. Plus the question always comes up as far as our revenues and our account receivable and our revenues year to date and through the end of 2017 last year.

Chairman Chagnon: These are the figures, give us the overview from the Director's position.

Mr. Griffith: It would be the Fly Car has been a great success. It's tremendously needed in this County. We have a crisis in this County at this time right now. Being first responders in trying to get help to people when they call for an ambulance. We've had several calls in the past four to five months and the problem seems to be progressively getting worse and people are calling for ambulances and they are waiting up to 20, 30, sometimes 40 minutes for first contact to the patient. Tapping out three and sometimes four departments to come up with an EMT and the manpower to man an ambulance. We do have a career ambulance service in the County in Alstar and they're also taxed and when they are out of service then it falls back completely upon the volunteers to do the job. Frankly, the volunteers are just not there the way they used to be. Not to condemn them. We have departments doing 800, 500, 600 calls a year as a volunteer basis and it really is starting to tax the community and tax a number of providers. We do have a great system that works from 6:00 in the morning till 6:00 at night, Monday through Saturday. But as we all know, EMS doesn't stop at 6:00 at night on Saturday and start again at 6:00 in the morning on Monday and it doesn't stop at night. I'll be coming back through Public Safety Committee in the next month with proposals to look at options as to how we can try to solve that problem. Try to shorten that timeframe of response to the people. I've always believe that when people picked up the phone and call for a policeman, they call for a fireman, they call for an ambulance, they have the right to have someone respond in a timely manner. Unfortunately we do not have that so much on the ambulance end right now.

Chairman Chagnon: John, thank you for that explanation. For the finance committee, obviously our concern is dollars and cents and looking at the experience in 2017, the expense of the Fly Car system was down by \$250,000 because of the late start. However the revenue was down by more by \$518,000. Our concern going forward is the financial sustainability of the fly car program especially in light of your words that there may be needs to modify that program in the future.

Mr. Griffith: I understand. We had a lot of calls although we were able to provide care, although we were able to work with the patient, I mean, the revenues are not always available

whether it's a lack of insurance, whether it's a lack of ability to bill, if it's a Medicare, Medicaid bill, the reimbursement is so small that it doesn't come close to covering our expenses on the back end of coming through. We did a call yesterday, cardiac arrest on a 46 year old man. We had two paramedics working on that gentleman for a long period of time. (*Inaudible*) electrical response in his heart. Through a lot of expense in that call, patient was a Native American from Canada so what are my chances for revenue recovery on a call like that? It's unfortunate, we do recover every bit we can. We have a great billing company that bills aggressively, we go after every dollar that we possibly go after to recover the monies. Remember we cannot do any billing in the City of Jamestown, we cannot do billing in the City of Dunkirk because of their agreements that they have with their ambulance services. Although we do go to the City of Jamestown, we do go to the City of Dunkirk. We were in the City of Jamestown this morning at 6:10 on an overdose call along with ambulance 1 and Engine 5. We needed the ALS, we needed to provide the ALS component to that call. Again, that call is - it's what we do. We will never ever turn anyone down on a billing situation or not go because of a billing thing but the reality of the matter is is some calls are just not billable back to the user or back to us.

Chairman Chagnon: That begs the question of, was the model that the Fly Car program was built on of being self-sustaining? Are you coming to the conclusion that that was incorrect?

Mr. Griffith: I would have to say yes. I do not believe in all honesty, I cannot sit here and tell you in all honesty that the system can be self-sustaining. It's needed, but I do not – and can it recovery some of its costs but I do not believe that I can sit here in good conscious and honestly say it can be self-sustaining.

Legislator Niebel: John, quite frankly, that was the way it was sold to the committees, that is the way it was sold to the Legislature and quite frankly, that is the way we sold it to the people. Back to this model. When you built the model and looked at the revenues, in the original model, did you not consider the fact that you wouldn't be able to bill in the City of Jamestown and the City of Dunkirk, originally?

Mr. Griffith: I really can't answer that because -

Legislator Niebel: That was Julius.

Mr. Griffith: Yes and even though I was a Battalion Coordinator at that time, I was not involved in any of the – this part of it as to where it went. In the budgeting. I'm not trying to pass the blame on this at any one point. I know that from what I was told at the time of where it was at, looking through the MMA study and looking at the number of calls that could be ran and then factoring into those calls a percentage that could be billed and we could only bill for ALS, we could not bill for BLS, advance life support or basic life support. We were taking into consideration, I think, more ALS calls that we could bill as opposed to BLS that we can't bill. The same time that the Fly Cars came on board, we went to EMD, emergency medical dispatch, through the Sheriff's office or the dispatch center which categorizes the calls to ALS, BLS, or BLS priority calls. We did not have that before so the numbers that were used in the MMA study, I think we're a little more aggressively put that there was more ALS calls in what there were – actually came out (*cross talk*). As far as the number of calls that we do in the City of

Dunkirk, the City of Jamestown, the Village of Fredonia which has their own systems, I'm not aware how that's (*cross talk*).

Legislator Niebel: Billing in the Village Fredonia?

Mr. Griffith: We cannot.

Legislator Niebel: O.k., so it's Fredonia, Dunkirk, and Jamestown where you can't do any billing at all.

Mr. Griffith: Right, we cannot unless we can come up with and we're working with – there has been discussions with people in my staff with the Fire Chief in Dunkirk to come up with a possible billing agreement there. They have a paid billing ambulance service that they do the billing. The City of Jamestown does not bill for ambulance service. The contract with WCA Services. In order for us to get paid working in the City, the City of Jamestown would have to bill and then turn around and give us part of their money back and I don't believe that has been discussed yet with the Mayor.

Legislator Niebel: So what percentage of your calls, do you think, a third, a fourth, what percentage do you respond to in Fredonia, Dunkirk, and Jamestown?

Mr. Griffith: It really varies. I could get you a breakdown exactly. I would say 5%.

Legislator Niebel: That's all?

Mr. Griffith: Yeah, 5%.

Legislator Muldowney: Because they have their own.

Mr. Griffith: Because they have their own. We are only called into those areas when there is no other provider available. Alstar is out of service, they are already committed, the City is already committed or they have basic services but they do not have advance services which is what the case was this morning.

Legislator Muldowney: Fredonia does though.

Mr. Griffith: Fredonia has both paramedics and ambulance service but they can be out of service only because they are already on calls.

Legislator Niebel: So that 5% then really would have effected your model all that much.

Mr. Griffith: Not that much, no.

Chairman Chagnon: Well John, we are fortunate that we have the Chairman of the Public Safety Committee on this committee so he is wearing both hats in terms of the operation and the costs to the taxpayers. I'm confident as we go forward with the Fly Car program that the Public

Safety Committee will be diligent in looking for any opportunities to make this program more self-sustaining.

Mr. Griffith: And rest assured we will recover all the revenue we possibly can as we provide the service.

Legislator Niebel: Mr. Chairman, let me just say I think it's a great program. I think it's needed but the revenue situation is something that we're going to have to look at more closely.

Mr. Griffith: I agree.

Chairman Chagnon: Any other questions or comments on the proposed resolution since I got you so far off track?

Mr. Griffith: That's alright. I welcome the conversation.

Chairman Chagnon: Thank you. Hearing none, all those in favor?

*Unanimously Carried*

Proposed Resolution – Amend 2017 Budget for Year End Reconciliations – Public Defender

Clerk Tampio: Mr. Barone had to be in court at 10:00 this morning.

Chairman Chagnon: Mr. Barone is unable to be here. Is there anyone that would like to explain this in his behalf?

Mrs. Dennison: The Public Defender's office, it is self-balancing. Not really dramatic changes. They do have a little higher contractual costs partially because of the volume of cases I believe exceeded their expectations so they have additional costs for mileage, travel, for incidentals associated with their caseload. But they were able to counteract those costs with savings in their employee benefits. Mr. Barone explained in Public Safety that personal services for he A.1170.1172, that there was an increase in compensation for one of the Public Defender's assigned to that sub-department.

Chairman Chagnon: O.k. and I will point out to the committee the the Public Defender's office was able to meet their overall 2017 budget. Any questions or comments on the proposed resolution?

*Unanimously Carried*

Proposed Resolution - Authorize Lease Agreement with Celebration Hall, LLC for Office Space for the Public Defender Office – Family Court Division

Mrs. Dennison: You may recall that last year there was a resolution regarding office space for the Public Defender's office and this is an extension of that arrangement. The Public

Defender's office is expanding its space in the HRC building and has renegotiated its space in the Family Court area, in the 2 Academy Street operation. I would comment that I did check their budget for this lease and it is in their 2018 budget.

Chairman Chagnon: Is this additional space or is this renewal of lease?

Mrs. Dennison: They do have space currently in the 2 Academy Street building so I do believe that this is a different space than they currently have but it would in general be a replacement for existing space in the 2 Academy and is separate from their expansion in the HRC building. But their budgets for 18's, the budget was increased for their increase in space in the Clothier Building and they also have a separate budget for lease of the space at 2 Academy Street.

Chairman Chagnon: So this 1,568 square feet in this proposed resolution, is replacing some other place?

Mrs. Dennison: That is my understanding.

Legislator Niebel: Mr. Chairman, it's my understanding that Mental Health will be going up on the hill. They will be taking over the space that the Public Defender used to have. This is for renovations for their Family Court Division as far as the Public Defender's.

Chairman Chagnon: O.k., so they currently have space for the public, for the Family Court Division.

Legislator Niebel: Which is going to Mental Health. This would be for renovations for their Family Court which will be moving into this and vacating the other space which Mental Health will go into.

Chairman Chagnon: O.k., so this is a replacement for existing space.

Legislator Niebel: Yes and then they will go into Mental Health over in the Hall Clothier building.

Chairman Chagnon: Thank you for that clarification Terry. Any other questions or comments on the proposed resolution?

*Unanimously Carried*

Proposed Resolution – Amend 2017 Budget for Year End Reconciliations – District Attorney's Office

Chairman Chagnon: I will point out to the committee the District Attorney's office was successful in meeting their overall budget so congratulations and thank you for that.

Ms. Kneer: Thank you. We are just looking to increase our personal services and contractual accounts by decreasing our employee benefits. Kind of moving things around. We did have some personnel changes, a promotion, and a position that we (*inaudible*) accepting and our contractual is a little bit higher due to stenographer fees. By adding an additional grand jury day, we've incurred more costs in that area but for 2018, we did budget for this expense knowing that going into 2018 we'd have the additional day of grand jury. So, I'm just looking to correct that.

Chairman Chagnon: When were the personnel changes made?

Ms. Kneer: One, at the very beginning, we had two attorney's resign and one was part time. A full timer went in and another one was promoted.

Mrs. Dennison: Rachel, her position is scheduled for 35 hours a week and there was a necessity for her to work an excess of 35 hours so there is some additional expense in wages for Rachel, at the time, a confidential secretary of the District Attorney.

Chairman Chagnon: You know what my next question is going to be?

Mrs. Dennison: Why wasn't the budget amended when the personnel changes occurred? The anticipation was that there may have been other personnel changes in the latter part of the year that would have compensated for those changes but that was not the case.

Chairman Chagnon: That didn't develop.

Mrs. Dennison: And of the \$7,200, approximately \$5,000 of that is attributable to extra work by confidential secretary.

Chairman Chagnon: I didn't want anyone to think that our Budget Director wasn't on top of these things.

Legislator Niebel: So Rachel, you went from a secretarial position to an Executive's Assistant?

Ms. Kneer: Yes, Confidential Secretary to Executive Assistant.

Legislator Niebel: And that accounts for a lot of the increase here?

Ms. Kneer: I went from 35 to 40 hours a week so we're figuring most of this –

Legislator Niebel: You went up to a different position too?

Mrs. Dennison: That change of position happened in 2018 and was incorporated in the 2018 budget. So in 2017, the entire year, Rachel was –

Ms. Kneer: Getting acclimated.

Legislator Niebel: (*Cross talk*) from 34 to 40 hours.

Mrs. Dennison: That was not an official change but just necessary change due to the work.

Chairman Chagnon: Any other questions or comments?

*Unanimously Carried*

Proposed Resolution – Amend 2017 Budget for Year End Reconciliations – Office of the Sheriff

Chairman Chagnon: I understand that this was amended in committee.

Mrs. Dennison: Mr. Chairman, would you like me to identify the amendments?

Chairman Chagnon: Please.

Mrs. Dennison: There were just some rounding errors that were detected in the resolution. So the first category, Increase Appropriation accounts, the total should now be \$1,255,034, so just change the last digit from a three to a four. In the Decrease Appropriation accounts, the last item, State Training School, is also different by a dollar. It is \$878,914 and the total now is \$1,202,610. There are no changes to the Increase Revenue accounts.

Chairman Chagnon: Thank you. Sheriff, your show.

Sheriff Gerace: Do you want to lead?

Mrs. Dennison: I will. I have a handout for you. Some of the details, some of the major changes in the retirement costs. As you can see from the resolution there are quite a few adjustments, both increases and decreases to appropriations but also some increases to revenue accounts in the Sheriff's organization. However, the Sheriff's organization is not self-balancing so after all of the changes there is an overage in appropriations of \$878,914. The resolution was balanced by using the surplus in the State Training School department from the Department of Health and Human Services. So the large percentage of the in-balance is due to changes in the Sheriff's contracts with DSAC and the CCSEA contracts that occurred after the 2017 budget was adopted. I have detailed the major items that are contributing to that variance so that is the item that I handed out to you. I can run through those for you. The first item, \$310,434, that is a charge from the New York State Retirement System and it is an addition to the 2017 invoice. It covers the period from April 1<sup>st</sup> of 16' through 3/31/17. Every year we get an invoice from the State Retirement System, we get it in late November, early December, and every year we have to make an adjustment to the financials to reconcile our estimated retirement costs with the actual costs from the Retirement System. The 553 plan, the new retirement plan in the Sheriff's organization, that has a higher rate of cost than the previous plan which was the 551 plan. It's about a 5% premium so the cost of that plan, so that's 5% more so we take the salaries in the Sheriff's organization and in the 553 plan is approximately 25% of the salaries. So, what

happened with the first adjustment is that the State Retirement System, as I said, they usually send the bill in the latter part of the year, so, in November of 16' we got an invoice from the State Retirement System but that invoice did not include the change going to the 553 plan. So the Retirement System sent another invoice late this year and the surcharge for that period of service was \$310,000. The second item is the same situation. It's based on the 2018 bill from the Retirement System which covers the dates of service from April 1, 2017 to 3/31/18. So we received that bill and that one did include the new 553 plan but as with all of the departments Countywide, we have to do the reconciliation to book the changes between the invoice and the estimated charges for the retirement. So, that invoice, as I said, it covers the period through 3/31/18, so we are using 75% of the additional charges for the 553, we booked into 17' and that is \$217,000. Again the difference is that in our budget, the budget is based on the 551 plan and the 553 plan has a higher premium. So those are the first two items. Any questions on that?

The third major item that was booked into 2017 retirement expense is installment number one of what we call the buy in to the 553 plan because the 553 plan, we have to pay for people to be in that plan going back to their day of hire which could be 20 years ago. So, it was established when the contract was proposed that there would be a charge for buying into that plan and that charge is to be amortized over 10 years. The first installment was paid or charged in 2017, that's \$346,654.

Legislator Nazzaro: So that is a correct date, 3/31/16?

Mrs. Dennison: Yes, because the first two items, item number one pertains from dates of service from April 16' to March of 17'. Item number two is April 17' through December 17'. Item three, the buy in, is the surcharge for the plan for everything before April 1<sup>st</sup> of 16'. So we're getting current bills from the Retirement System. We got one in 2016 and 2017. The buy in is for that premium of the plan for periods of service prior to the time when the State Retirement System is actively invoicing us.

Legislator Nazzaro: So then for 2018, are we going to be getting –

Mrs. Dennison: Yes. This is installment one of ten.

Legislator Niebel: Yes, Chuck, this almost \$350,000, that's going to be for the next 10 years.

Sheriff Gerace: And it's in the 18' budget.

Legislator Nazzaro: So there won't be a rate variance, going back to the first two – because that's the amortization, the 10 years.

Mrs. Dennison: The amortization will continue and is budgeted. There will not be a range variance in 18' because starting – for the 18' budget, we budgeted everybody at the 553 plan.

Legislator Nazzaro: Good, because the State year ends March 31, 2018, that was already budgeted in because that 553 plan took effective.

Mrs. Dennison: Yes.

Legislator Nazzaro: It's not going to be a retro type thing?

Mrs. Dennison: Correct. And so in November, December of 2018, we'll again get a bill from the Retirement System but the anticipation is that there should not be - the adjustment should not result in a large charge to the 18' results because we are already budgeting at the 553 level.

Chairman Chagnon: Kathleen, if I could just ask you to pause there, in the handout you just gave us, you have a subtotal of those three items and that subtotal is wrong, is incorrect.

Mrs. Dennison: Oh, yes it is.

Chairman Chagnon: I know exactly how much because - I didn't use my calculator except the one in my head.

Mrs. Dennison: It would be \$874,314.

*(Public Defender then came back to the committee meeting)*

Chairman Chagnon: Mr. Barone, I think that we have completed all of the proposed resolution involving the Public Defender's office. We rejected them all so you are free to go.

Mr. Barone: Thank you Mr. Chagnon. I knew that I could rely on Mr. Nazzaro to take care of that. I do apologize. I did have to be in court for sentencing.

Chairman Chagnon: The Budget Director carried your *(inaudible)* very effectively.

Mr. Barone: Thank you Kathleen.

Mrs. Dennison: You're welcome.

Mr. Barone: Thank you very much, I appreciate it.

Mrs. Dennison: I apologize. I left one item out of handout. In part of the year reconciliation that goes to the Retirement System, there was a savings in some other categories. I'm sorry there's a savings because some of the newer deputies are going in at a lower rate of pay so they have the higher rate for the 553 plan but there is a savings in retirement because the salaries are lower. So there is an element that's missing from the handout and that is a savings of \$26,379 so there were three increases to the Retirement but one decrease of \$26,379.

Legislator Nazzaro: So you have a credit.

Mrs. Dennison: I have a credit that is not on the handout.

Legislator Nazzaro: So then the total is correct?

Mrs. Dennison: The total is correct. The subtotal is correct.

Legislator Nazzaro: You can send that out, the revised one.

Mrs. Dennison: Yes.

Legislator Nazzaro: So you were correct Mr. Chairman, it did not add up because there was an item missing of credit.

Mrs. Dennison: I apologize for that oversight. So we have one favorable item that is missing.

Chairman Chagnon: With this explanation and Sheriff, I would like to point out for the committee that this certainly was beyond your control.

Sheriff Gerace: Thank you sir.

Chairman Chagnon: It was beyond your operating budget. As we look at the proposed resolution, there is an addition to employee benefits for the Sheriff of \$738,000 and if it wasn't for that, your budget would have largely been balanced internally in your department.

Sheriff Gerace: Yes sir, we're about \$120,000 short after that and that takes into account the tremendous challenges that we have this year with jail overcrowding and boarding inmates out. I appreciate you bringing that to light.

Chairman Chagnon: We'll get to those other important pieces of this but I would just like to, at this point for the committee, point out that when we were presented in late 2016 after the 2017 budget was adopted, the proposal for a contract with the Deputy Sheriffs. We were provided a cost justification for that. It was prepared by Finance and Human Resources and it indicated an additional cost to the 2017 budget that was an order of magnitude less than what we experienced. It was 10% of what we experienced so the premise on which the Legislature far from unanimously adopted the contract, was flawed. That certainly doesn't give any of us who were opposed to the contract amendment any solace but it certainly gives us pause that the decisions that we're making, at least in that instance, were based on flawed projections, extremely flawed projections.

Legislator Nazzaro: Mr. Chairman, I agree with what you are saying. Projections are projections but I think we need, and again, this is not directed at the Sheriff, I think that we need to do a better job. I think sometimes we're sold a bill of goods, to put it bluntly, to get these contracts through and it's based on projections and a lot of what is going to happen in the future. As you and I and others, not just you and I have cautioned, we're making decisions that will affect the County's operation for years to come. When we are off that far in projections, I find it very disturbing and I think that we have to do better because this does create, as we are seeing in 2017 a deficit and then it brings up the concern for what the impacts that are to come. We

have seen it in other contracts as well. The CSEA one, (*inaudible*) how many went over to the high deductible plan. So, I think we have to be careful when you listen to what is going to be done. What we're being told is going to be done and what really happens is many times far off. So, I would like to know how we're going to reconcile or fix this going forward.

Chairman Chagnon: I think that's the point that I wanted to get to Chuck and I appreciate you weighing in on that. In that the financial analysis we were given with the proposal indicated that there would be cost savings in the 2018 budget but based upon this experience in 2017, it was far from the projection. I think that we need to have an evaluation done of the potential impact of the 2018 budget based upon what we've experienced in 2017. These were certainly unanticipated changes to the 2017 expenses and so at this point, we need to understand what the impact of those if this continues in 2018, on the 2018 budget and then we need to address how we're going to make the 2018 budget whole. Sheriff, I recognize again that you are an innocent bystander in this matter but we may need to call on your assistance in resolving any difficulties that we turn up in that evaluation.

Mrs. Dennison: One element that is a big variable in any of the analyses is how many people actually retire.

Legislator Nazzaro: To our point. I think sometimes our projections and it's not only this optimistic and we're told by membership of the unions that they are going to – they've talked amongst themselves and they say o.k., we can't hold them to that but they are going to have a certain number shift from one plan to the other or retire and I think either we need build in – we need to be more conservative and more realistic and when we build these realizing that - I think we always do get different scenarios but I think our scenarios are based on what we're being told by the unions and I think sometimes those are more optimistic than what – definitely more optimistic than what happens and now we're going to pay for it.

Legislator Niebel: We had projected 12 retirements and actually we got 10. Perhaps we should have projected 8 retirements and taken a more conservative approach like Chuck suggests.

Chairman Chagnon: Well, back to the proposed resolution. Sheriff, you were starting to explain the additional challenges that the Jail faced this year and I for one will applaud your efforts to make the best of the situation that you have presented with the Jail population. I think that you've done a commendable job of dealing with the situation you have and trying to operate within your budget but it does again beg the question like the Assigned Counsel issue that we have in another department, how we're going to deal with the 2018 budget if we're unable to get the jail population in line with our expectation of the 2018 budget. Can you give us any insight in that?

Sheriff Gerace: Well Mr. Chair, I agree with you and that too is out of our control to some degree. I say it because my continued localization about rightsizing the population in the Jail. Making sure we have people in there that really deserve to be in there and utilizing State prison for those that need to move up to State prison. We're starting to see that trend. Our count is down, we have no board outs. We have 13 empty male cells right now, which could change

this afternoon but what I do think will happen and has happened, the pressure that has been placed, pressure, attention, is a better term, has been placed on issues like bail reform. I think that you will see more of that language coming forward soon. We have some discussions with the Criminal Justice Coordinating Council yesterday. The District Attorney talked about some of the and so did the Public Defender, about some of the counties that have already started bail reform. That will help and we won't have people sitting in jail for long periods of time waiting some process in the system. So, I want to be optimistic. I think this is a push in the right direction. I won't know exactly until we do a full analysis of how and why that population is decreasing but it could be just time of the year and we have to look at it comparatively to other years. But I do think that it has to do a lot with the Judges starting to be more sensible with bail structure. The Governor's proposal is a little bit early to tell and I was a little taken back by it but I think there will be some continued push by the State government to change bail structure or do reform to prevent unnecessary incarceration. The common denominator of the people in the jail, those that are un-sentenced, is that they don't have any money. It's not the severity of the crime that keeps them there, it's the lack of funding. So they are being incarcerated because they don't have money, they're poor. So, I think that is going to change and I think the big push is going to continue on that. I can only be optimist that it's going to have an impact on our Jail population barring some unforeseen.

Chairman Chagnon: We continue to be optimist as well. We've been placing our faith in the Community Justice Coordinating Council and that has been re-established or reinvigorated, I'm not sure what the term is but hopefully we will get considerable progress in the forthcoming year from that effort as well.

Sheriff Gerace: Not to keep you here longer but I'll take 30 seconds or less to present two proposals to the Council yesterday. One being an alternative to incarceration program that we're trying to establish here that mirrors something done in Ontario County that has been successful. It's just like day report, Judges have an option. Instead of sending intermittent sentences to the Jail which is a nightmare for us. Coming in on Friday, leave on Sunday, they come with contraband, they are problematic, so we're looking at that and I also introduced a program and I had a long conversation with a former police chief of City of Albany, New York, who started there, duplicated a program that started in Seattle, Washington called LEAD, Law Enforcement Assisted Diversion, and I'll make a big push for that to be established here in the County where law enforcement officers are actually diverting at point of arrest to prevent them from going through the system but they go – only for certain kinds of crimes. Low level, drug possession, and Seattle started with that with prostitution. I have high hopes for it.

Chairman Chagnon: Thank you for that encouragement. Since I've passed lots of accolades now I'm going to get to the other side of the equation which is the revenue side of your budget. There were significant revenue shortages in your 2017 budget in public service communications network, in the W911 wireless, in grants, in the jail, and STOP DWI. I don't want to belabor this meeting any further with discussion of those but I would appreciate if we could, as a committee, receive your analysis of what went wrong with those revenue streams.

Sheriff Gerace: I will just quickly, if you don't mind Mr. Chair, hopefully the Governor is going to fix this STOP DWI issue in his next budget. He vetoed a bill that would have solved the

problem and it's going on Statewide for DWI funding. The DWI program is funded by fines but the State has, in their wisdom, put in place a system where the defendant has to pay the DMV fees before the fines are released to the counties. So we estimate and this is an estimate that came from a ton of work done by an intern for our agency, we estimate that our arrears are almost \$1.2 million dollars in unpaid DWI fines. What's happening is, as people pay their fines in court, (*inaudible*) DMV takes it towards the fee and Judges say, we're not the fee collectors for DMV, this person paid their fine. So that legislation went to the Governor's desk and he vetoed it because of the impact that it would have on the State budget. However, in the veto, he did have in the language and I'm paraphrasing greatly, we need to fix this in the next budget. So if they do indeed do that, that would help the STOP DWI revenue tremendously.

Chairman Chagnon: Again, if we could receive an analysis of the revenue shortfalls and any anticipated impact on the 2018 budget, we would appreciate that.

Sheriff Gerace: I would be happy to do so.

Legislator Nazzaro: Because I think (*inaudible*) any of these are – this happened in 2017, has happened. Going forward for 2018, in any department, not just here, still early in the year and if we understand the impact on 2018 now, then we can make adjustments and ask the Executive and the Finance Director and Budget Director to look at ways to offset some of these.

Sheriff Gerace: We will continue report on our Federal inmate count because that's been a struggle too. Just acquiring Federal inmate when available and our numbers are down already this year. That we can be in catch-up mode if we get more prisoners (*inaudible*).

Chairman Chagnon: O.k., then are there any other questions or comments on the proposed resolution?

Mrs. Dennison: If I could just make one more comment Mr. Chairman. I just want to establish on the record that with the change in the contract if there were some – the unanticipated savings, some of those were realized in 2017 because there was a savings on health insurance because the union migrated to the high deductible health plan and there were also savings in wages because the retiring deputies were replaced with deputies coming in at a lower step. That was anticipated and some of those savings were in fact realized.

Chairman Chagnon: O.k., if there are no other questions or comments on the proposed resolution, all those in favor?

*Unanimously Carried*

Proposed Resolution – Authorize Agreement with Silver Creek Central School District for Resource Officer

Sheriff Gerace: This is a continuation of an agreement we've had with Silver Creek School for a number of years and it covers the cost of SRO in the school.

Chairman Chagnon: Questions or comments?

*Unanimously Carried*

Sheriff Gerace: Mr. Chairman, I can only say I wish I was bringing in a number of additional SRO contract because I am of the belief that every school should have at least one.

Proposed Resolution – Amend 2018 Budget for Statewide Interoperability Communications (SICG) Formula Grant Award

Sheriff Gerace: This resolution allows the move or expend money from last year's grant into 2018 because of the projects we just could not complete within the time given us.

Chairman Chagnon: Any questions or comments?

*Unanimously Carried*

Proposed Resolution – Amend 2017 Budget for Year End Reconciliations – Health & Human Services

Chairman Chagnon: I also understand this was amended in committee.

Ms. Lis: There was a small amendment in committee. There was only a \$5,000 change. It just looks worse than it is. It effected some total and we just found a bit more expense and had to rearrange a bit more.

Chairman Chagnon: So the contractual, Early Intervention program, which was listed as \$15,000 was actually \$20,500, amended to that. So then the total for - there was appropriation increases is now \$627,500 and then on the appropriation decreases the contractual for Social Services Administration is now \$60,500 instead of \$55,000. Then the total is \$251,000 as opposed to \$245,500. Val, would you like to elaborate on anything from this proposed resolution?

Ms. Lis: Well, there's really nothing in here that's surprising. We have a few reclassifications on some of our wages and benefits because we may have someone budgeted in Environmental but they work from the lab a little more than expected. They are the same people. Same thing with Early Intervention and Preschool. The same people, they just work a different percentage of their time in those two programs so that is all a wash. We just rearranged the budget to match what they actually did. As far as things that increased, they are the usual areas that we do see increases in our expenditures. The Handicapped Children tuition, the Early Intervention which is a small amount, the Foster Care and Safety Net. What happened in Safety Net was, we actually have been taking money from Safety Net to cover some other things and we just went a little too far. Our numbers are very year end oriented. We're always behind because there is just so much volume and the State is always behind so at the end of the year we had done budget amendments for all of those items but we just haven't put enough money into those.

Rabies went up a tiny bit because on that one, it just depends on what happens. There was one family that found a bat in their house so the whole family just went had preventive shots and the cost of that went up also. The hospitals have increased their cost of taking care of that. As far as the Jail Clinic, it was \$55,000 over. I don't think that's really very bad because we have had some difficult to treat people there. We've had people that have had – there were just many, many problems that they probably didn't belong in the Jail Clinic. They shouldn't of been sent there. So, I think I'd leave it to you to ask your question.

Chairman Chagnon: Any questions or comments? Val, I think that you should be commended for operating as well as you have with the amount of uncertainty that is in your budget, the amount that is beyond your control. Generally speaking, your revenues matched your lower expense so it's clear that you are managing your expenses in line with your revenues which is commendable. With one significant exception and that's for Child Care -Foster Institutional where you revenues exceeded your expenses by over a million dollars.

Ms. Lis: Did it?

Chairman Chagnon: Yes.

Ms. Lis: I will admit to you that I spent a lot of time –

Chairman Chagnon: These are preliminary results.

Ms. Lis: I spend a lot of time getting these numbers together. I didn't have a lot of time to analyze them. I knew that you would ask me something that I hadn't realized so I need to look at Foster Care.

Chairman Chagnon: That's a good news. It would just be interesting to know what the background of the cost.

Ms. Lis: It may be Foster Care does get broken down to several different departments. Well, two different departments and also there is an effect that the children that are OCFS custody, some of them are in there because they may step down to a non-State facility and when that happens, they go into those accounts rather than the State tuition account. So, there could be a lot of that kind of – I have to look and see what happens as far as the mixture of -

Chairman Chagnon: Alright, any other questions or comments on the proposed resolution?

Ms. Lis: I don't want to take anyone's time, I don't know if you want to – if you noticed that we did need to accrue a lot less than expected in the OCFS Custody and that the Sheriff's Department, that benefit, they used some of that to cover their shortfall. So, I thought that you might ask me about that. What happened is, we have learned a lot about how the OCFS charges are calculated. You know we've always had a problem with that and they opened up the lines of communication with me. It's amazing now how much we know about who is there, where they are and the where they are and how long they have been there is very important because all we

knew, for example, we may have had a child in there for 2 years. But that child wasn't always in OCFS Custody. They may have gone off to another place for example, Snell Farm, who we pay directly rather than through the State. So I'm accruing for 2 years but I've already paid Snell Farm and I couldn't put two and two together because the timing of the State bills are so late versus the local places, also I didn't know where those children were. I just knew that they were in State custody so I couldn't say don't approve for that, I've already paid for it. We also learned that on the back end of the custody period there are times when a child is in what they call after care which they may be going home, they may be going somewhere and they are still be provided some services by the State so that time period is still a custody time period but we do not have to pay for that. No one realized that. We made sure that we were understanding that before we – so just knowing where those children were and when they were there really clarified how much we will have to pay and that's all that I have to say.

Chairman Chagnon: O.K., now back to the proposed resolutions. Hearing no questions or comments, all those in favor?

*Unanimously Carried*

Proposed Resolution – Authorize Acceptance of Funds from the New York State  
Department of Health for Alzheimer's Caregiver Support Initiative

Mrs. Spanos: So this may sound familiar to you because two years ago we authorized the acceptance of these funds. What has changed is, Catholic Charities was involved with the grant as the grant management. At the end of 2017, they have bowed out of the grant and the Alzheimer's Association of Western New York has taken over the grant management. So it was decided that we needed to resubmit a resolution to accept the funds since the funds from DOH would flow through the Alzheimer's Association. Also with that change of Catholic Charities not being involved and some changes in what the State would allow us to claim are line items have changed a little bit more. Josh can explain it to you.

Mr. Melquist: Original the last two years they have allowed us to claim pretty much the full case manager for the grant and all of her benefits so she has three kids so high benefit numbers. They told us this year that the highest or the percentage in the past was in the 90's essentially, fringe benefits and they told us the highest one they saw across the other people involved (*inaudible*) the counties involved in the grant was 50% so they had to bring that down in the 40's so we kind of moved around. We added the administrative costs, we kept her salary the same and reduced her fringe benefits is what it ended up being.

Mrs. Spanos: So you will see the personal costs went down a little bit but contractual, we're doing more RESPIT and claiming other back office stuff.

Mr. Melquist: Just shifting within the grant.

Mrs. Spanos: It's very interesting to note that we're not - like we do a lot of things on actual cost of the person and the State is like saying now that you can only do an average fringe.

Legislator Nazzaro: I've seen that in other things that I have worked on, same type of thing. You want to be accurate, you want to say this is what it's actually costing but then it goes over the ceiling and you have to (*inaudible*).

Mrs. Spanos: We are getting a little more money so that is good.

Chairman Chagnon: O.k. questions or comments?

*Unanimously Carried*

Proposed Resolution - Authorize Execution of Attestation for 3.25% Funding Increase to Support Annual Salary and Salary-Related Fringe Benefit Costs of Direct Care Staff, Direct Support Professionals, and Clinical Staff at Not-For-Profit Providers through the Department of Mental Hygiene OASAS Programs

Mrs. Brinkman: In essence this is really simple. For 2018 we were given a cost of living adjustment for certain categories of professional employees amounting to 3.25%. That was recognized in the budget so those revenues are there but the State has come out with the new requirement that requires the person with signatory authority to sign an attestation that the organization will use those for fringe benefits and salaries. My guess is that somewhere in the State people did not adhere to the guidelines and used those funds to offset other expenditures so now their wanting to call the attention to the fact that this is the requirement.

Chairman Chagnon: Any questions or comments?

*Unanimously Carried*

Proposed Resolution - Authorize Execution of Attestation for 3.25% Funding Increase to Support Minimum Wage and Workforce COLA Salary and Salary-Related Fringe Benefit Costs of Direct Care Staff, Direct Support Professionals, and Clinical Staff at Not-For-Profit Providers through the Department of Mental Hygiene

Mrs. Brinkman: It's the exact same process that the one State agency called it one thing and one is for OASAS our substance abuse (*inaudible*) and the other is for the Office of Mental Health so they just called it – they used different verbiage. But the bottom line is the same. We need the County Executive to sign the attestation to allow us to keep the revenue.

Chairman Chagnon: So the first one is for the –

Mrs. Brinkman: Substance abuse under OASAS and the second one is for Mental Health.

Chairman Chagnon: Any questions or comments?

*Unanimously Carried*

Proposed Resolution – Government Reduction Initiative (GRI) Assistance for the Town of Cherry Creek

Mr. Abdella: This is the second instance of the County's program to provide assistance to other municipalities in the event of consolidation and dissolution. In this case, it's the Village of Cherry Creek that dissolved and pursuant to resolution 139-17 and the parameters under which payment would be made, this resolution calls for the amount of \$36,303 which was the 2017 amount of sales tax payment to the Village to be paid to the Town of Cherry Creek which is the town in which obviously the Village was dissolving.

Legislator Niebel: That's convenient, same name.

Chairman Chagnon: Any questions or comments?

Legislator Niebel: Just a comment Mr. Chairman. This is part of the County policy we adopted, this resolution, last April and it does provide for reimbursement for unanticipated expenditures for municipalities that consolidate or in this case, dissolved. As Steve said, there are limitations. It's up to \$50,000 but it is based on the sale tax and in Cherry Creek's case it's \$36,303. We didn't budget for this last year.

Chairman Chagnon: Because we weren't sure that it was – it was perspective, it hadn't occurred so we didn't know for sure if it was going to happen.

Legislator Nazzaro: Because this says the 2018 budgetary change. I thought that we put in the budget a line.

Legislator Niebel: We've talked about it Chuck but –

Legislator Nazzaro: It never materialized.

Legislator Niebel: The same with Forestville. Forestville, we ended up having to take out of the fund balance. Actually it came out of the Legislature account.

Clerk Tampio: No, it was fund balance.

Legislator Nazzaro: I know that we talked about \$100,000 but we never did it. O.k., because 2017 budget was already set so the discussion –

Legislator Niebel: Discussion for Forestville. Cherry Creek, we knew that it was coming about but we did not budget for it.

Chairman Chagnon: Any other questions or comments?

*Unanimously Carried*

Proposed Resolution – Amend 2017 Budget for Year End Reconciliations – Finance

Ms. Crow: I'll go through the Increase Appropriations. The first three are related to the Real Property Tax operations. I'm sorry, I take that back. The first one, 1310.1, personal services, earlier in the year as you may recall we amended the Finance department budget to account for some of the consulting costs for the risk assessment that we did and I had underestimated the amount that or overestimated, I should say, the amount that we could pull from the .1's in my department due to the adjustments in salary for the changes between myself and Kathleen and the incumbent positions. So, in the end we needed \$4,000 more than what I had estimated mid-year. The contractual costs for tax assessment is due to legal challenges from the Level 3 challenge in the Real Property Tax area. The debt services and interest, two things there. So the principal \$40,000, there was a – going back a few years, there was a loan/grant that we received from New York State for (*inaudible*) in the tune of \$400,000 that we are now repaying and that was not included in the budget for 2017. It was apparently an oversight that it would be – come in as a debt – essentially a debt service payment. It wasn't like a regular bond issue. It was a loan repayment but it is recorded under principal. That is included now in the 2018 budget until we have that repaid. Then the interest increase, the original projections in the budget for that year for 2017 included an estimate for debt service related to borrowing that we did in 16' and the actual interest expense was greater than what was earlier estimated. Those two items are being offset with the surplus in mortgage tax income which is dedicated to the repayment of debt. We are running in total, \$290,000 surplus in mortgage tax receipts. As you may recall from the 2018 budget discussions, we did increase the budget in 2018 for mortgage tax revenue. Then the contractual for municipal sales taxes, that's just the in and out of the sales tax that we collect and then pay out to the municipalities. That is their share. So, overall for sales tax we did see a surplus of close to \$800,000 in total for the County and then this would be the budgeted surplus of municipal sales tax receipts going out to municipalities. The earlier items that I mentioned are being offset by the contractual costs in the Department of Finance. Mainly we did not expend all the consulting dollars that had been included in the budget for 17'.

Chairman Chagnon: Any questions or comments?

*Unanimously Carried*

Proposed Resolution – Amend 2017 Budget for Year End Reconciliations –Health Insurance Fund (M Fund)

Ms. Crow: The increase in the 9089.8000 for contractual are the result of a couple of things. Mainly we had budgeted for - all the retiree costs had been previously budgeted all together with active employee costs under department 1940 and I've been gradually moving all of those costs into the 9089 department so we can better track our retiree costs separate from the active employee costs because those are allocated into the general fund budgets separately so it's important to keep those costs separate so we truly know what they are. So about \$73,000 of that was budgeted in 1930 but the actual expense we started moving over into 9089 so we can separate out the retiree expense. Aside from that, we did see our pharmacy claims for retirees running higher than planned. They were estimated and the dental and vision was slightly higher than what was budgeted. Then the employee benefits, that is the FICA and Medicare that we pay when employees take the cash out option at retirement. The cash out is paid as taxable wages so

we had underestimated the FICA and Medicare a little bit on those payments. We ran under budget for our premiums in department 1940 so that was able to - like I said, in part because we had budgeted retiree costs there but we had additional surplus there that we were able to cover the other overruns for the pharmacy and the dental and vision.

Chairman Chagnon: Questions or comments?

*Unanimously Carried*

Proposed Resolution – Amend 2018 Budget to Consolidate Costs Associated with Health Insurance Administration

Ms. Crow: Myself and Jessica have been working on making some budgetary amendments so that we can consolidate the administrative costs associated with administering the health insurance plan in to one sub-department that would be under HR. The new account is 1430.BENE and so the cost for the fairly newly hired Insurance Administrator, Eric Bens, part of Jessica's time, and then another full time support staff which is current vacant due to the retirement resignation of the former employee in that position. So all of those administrative costs are now being moved from this department 1710 and from the HR department where they were previously budgeted into the new sub-department. That will allow us to better track the administrative costs. The administrative costs are also funneled back to the M fund so they should always offset, balance, what the administrative cost is and then what we allocate to the M fund that ultimately gets billed into the premiums that are shared between the employer and the employee. So, it's a little complicated in the resolution in explaining that but we are also adjusting the revenues which are technically offset from the M fund going to the general fund in this case. So, once we understood better the cost in the new sub-department in total, the allocation necessary from the M fund is reduced by about \$20,000. That's just because as we actually took a closer look at what the administrative costs are expected to be for 2018, it was less than originally budgeted. So that reduces the allocation from the M fund about \$20,000. Then like I said, going forward now that we have single department where these administrative costs are accounted for, we'll have a better ability to understand those costs to the M fund going forward. Just another little point, because my time, I won't be allocating any of my time really to Health Insurance administration. The Finance Department budget goes up because my time is moving back into the Finance department.

Chairman Chagnon: Any questions or comments? You answered some of my questions but one of the things that puzzled me was that the total of the appropriations a decrease of \$41,798 and the total of the revenues is a decrease of \$20,899. So it doesn't appear that the -

Ms. Crow: That's the \$20,000 that we are reducing overall in the M fund. The M fund doesn't need to send to the general fund anymore.

Chairman Chagnon: That is included in the decreased appropriations so if you net the appropriations it's a difference of \$41,000. If you net the revenues it's a decrease of \$20,000.

Ms. Crow: This is a grid that we usually use for calculating how the resolutions balance is that the total increased and these appropriations decrease and these appropriations. This is the revenue that is moving into this new department the BENE department and then these revenues are reduced here to be moved into the new 1430 BENE. These ones here are being moved into here but then the net result is a reduction of \$20,000 so the M fund expense is reduced \$20,000 because we don't need to send that much over to the general fund anymore.

Legislator Nazzaro: I guess where we're struggling, you are o.k. now?

Chairman Chagnon: No.

Legislator Nazzaro: I guess for the simple – it doesn't seem to balance.

Ms. Crow: It doesn't balance by \$20,000. It's not supposed to because the M fund will now have a \$20,000 surplus because it doesn't need to move that expense anymore.

Legislator Nazzaro: O.k., so the M fund is causing it to appear not to balance.

Ms. Crow: Yes.

Chairman Chagnon: O.k., any other questions or comments on the proposed resolution?  
Jessica, you are o.k. with this?

Ms. Wisniewski: I'm in support.

Chairman Chagnon: O.k., all in favor?

*Unanimously Carried*

Chairman Chagnon: That concludes the resolutions. Now onto discussions.

Discussions - Status of Investment Program

Capital Asset Policies; Additional Capital Asset Staffing; Asset Inventory

Salt Stockpile

Capital Projects Audit Recommendations

Internal Audit – all by Kitty Crow, Finance Director

Other

MOVED by Legislator Nazzaro, SECONDED by Legislator Niebel to adjourn and duly carried. (12.40 p.m.)

*Unanimously Carried*

Respectfully submitted and transcribed,  
Kathy K. Tampio, Clerk, Lori J. Foster, Deputy Clerk/Secretary to the Legislature