

Minutes

Audit & Control Committee

March 19, 2020, 8:35 a.m., **Legislature Chambers**

Gerace Office Building, Mayville, NY

Members Present: Nazzaro, Niebel, Odell, Gould, Harmon

Others: Tampio, Ames, Crow, Dennison, Chagnon, Abdella, DeAngelo

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

Approval of Minutes (2/20/2020)

MOVED by Legislator Niebel, SECONDED by Legislator Odell

Unanimously Carried

Privilege of the Floor

Ms. Ames: We received no comments from the public.

Proposed Resolution - Amend 2020 Budget Appropriations – South & Center Chautauqua Lake Sewer Districts (S&CCLSD)

Mrs. Dennison: I did receive comments from Tom Walsh this morning, so let me pull them up.

Chairman Nazzaro: We also discussed this is public facilities and it was approved. Basically, what this resolution is doing is (*inaudible*) the New World Finance system, which is what the Finance Department uses. This was not budgeted in the 2020 budget and that's why we are making the amendments.

Mr. Abdella: I believe people will now be able to pay online. It's really just modernizing the whole system.

Chairman Nazzaro: Kitty, would you like to make a comment?

Ms. Crow: I'd be happy to speak a little bit about it. Jon and I have been involved in this. The AS400 model is going away and we're looking at a new solution for utility billing for the sewer districts. This would be an additional module to our existing financial system, so it made the most sense to utilize the same software. There are enhanced capabilities to our existing AS400 system, so these are the costs associated with implementing-

(Cross-talk)

Ms. Crow: Yeah, there will be additional capabilities including online payment and a portal for people to go and see their utility bill online and such.

Chairman Nazzaro: Thank you, Kitty. Are there any other comments on this?

Mr. DeAngelo: One more comment. It will also be used by the North County Sewer District. So, this module will be used by multiple departments.

Chairman Nazzaro: Thank you, Jon. We had the question in Public Facilities- how was it allocated? Scott Cummings (*inaudible*) that the sewer districts would be charged for the percentage of New World sewer billing module that is to be purchased according to how much of the module each sewer district would use. So, there is an allocation based on usage. Any other questions or comments?

Ms. Crow: I did create an allocation based on a percentage of the billing revenue and a blend of the percent of the customers for each district to determine allocation of the cost for each sewer district.

Chairman Nazzaro: Kathleen?

Mrs. Dennison: I just have one comment that's specific to South & Center districts is that South & Center Lake district has a contingency already built into its budget. It's an account of over \$200,000. It's been their policy for quite some time to include that. They often don't need to draw upon it. It's in their budget in case they have some need- generally for emergency repairs, but as I said, it is in excess of \$200,000 so they elected to draw this money from the contingency fund.

Chairman Nazzaro: Thank you. Any other questions or comments? All in favor?
Opposed?

Unanimously Carried

Proposed Resolution – North Chautauqua Lake Sewer District Authorization and
Appropriation of Local Match for Inflow and Infiltration (I&I) Study

Chairman Nazzaro: Any questions or comments on this? This was an already budgeted item and it requires a 20% local match.

Ms. Ames (*Reading comments on behalf of Scott Cummings*): The NCLSD will be receiving a grant for \$30,000 to do an I&I study. The district must provide a 20% match to the grant of \$6,000. The NCLSD board approved the matching funds and put \$6,000 in the 2020 budget for that match. The funding agency (NYSEFC) would like to see that the County will provide the matching funds and this is why the district needs an approved resolution from the County Legislature to show that the County approved of the grant and the matching funds.

Chairman Nazzaro: Thank you for that. Any questions or comments on the proposed resolution? All in favor? Opposed?

Unanimously Carried

Proposed Resolution - Amend 2020 Budget Appropriations for Customer Billing Software – North Chautauqua Lake Sewer District (NCLSD) and Portland, Pomfret, Dunkirk Sewer District (PPDSD)

Chairman Nazzaro: This is a similar resolution and it is again for the New World software. This was not budgeted in the 2020 budget. Questions or comments? Anything Kitty or Kathleen would like to add?

Mrs. Dennison: I believe Mr. Cummings sent comments?

Ms. Ames (*Reading comments on behalf of Scott Cummings*): The NCLSD will be charged \$10,503 and the PPDSD will be charged \$4,141 this year totaling \$14,644. This was not budgeted in the 2020 budget so the district's need to move funds around to cover the cost. Both district boards have approved this resolution.

A question was asked at the public facilities meeting about what percentage each district will be charged, so I have included the breakdown as it was given to the districts by the finance department.

Chairman Nazzaro: Thank you for that. Any other questions or comments? All in favor? Opposed?

Unanimously Carried

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

Chairman Nazzaro: We did receive a communication. Olivia, will you read that?

Ms. Ames (*Reading comments on behalf of Donna Sanderson*): The Board of Elections Proposed resolution is fourth on the agenda, our explanation is as follows: Board of Elections is requesting to extend our “Voter Education/Poll Worker Training and the NYS Poll Site Access Improvement Grant under the same terms and conditions from April 1st 2020 through March 31st 2021. The remaining funds of \$10,057.11 are included in the 2020 budget. No budget amendments are required.

The Board of Elections plans to utilize these funds in 2020, with making improvements to the Early Voting Poll Site at the Chautauqua County Fairgrounds to construct a ramp and widen the door to allow the building to become ADA compliant.

Chairman Nazzaro: Again, as Olivia pointed out, this is authorizing the extension and it's already in the 2020 budget. Any further comments or questions?

Legislator Niebel: Mr. Chairman, it is in fact in the 2020 budget on page 159 of our adopted budget.

Chairman Nazzaro: Thank you for verifying that. Any other questions or comments? All in favor? Opposed?

Unanimously Carried

Proposed Resolution – Authorize Lease Agreement with the Sea Lion Project, Ltd. for Ferry Docking and Landing Facilities

Mr. Abdella: (*Inaudible due to Microphone Malfunction*)

Chairman Nazzaro: That would be good. The location has not changed?

Chairman Chagnon: Mr. Chairman? I would like to make a comment. I have spoken with the Town Supervisors of both the Town of North Harmony and the Town of Ellery and they are both very much in support of this resolution.

Chairman Nazzaro: That's good news.

Legislator Gould: I was there yesterday because I had more time than I needed, so that was a good place to stop when there weren't any people and on the Stow side is the side I stopped on and I see the blacktop needs repaired just in the section the County owns. The Town road has been taken care of right up to where the little (*inaudible*.) Who's responsible for fixing it? Nobody knows and we don't have our highway superintendent here.

Chairman Nazzaro: That would be a good question for Brad Bentley.

Legislator Gould: Yes.

Chairman Nazzaro: Would you like Kathy to call him?

Legislator Gould: Yes, I would like an answer. Who is responsible? It might have to be re-paved. It kind of looked like it was heaved. I didn't get out and walk on it.

Mr. Abdella: Jay, you think- the town road comes in there, but you think there's some portion of blacktop that is on County land?

Legislator Gould: Yes. About 40 feet- whatever the width of the road is. Right up next to where you get on the ferry.

Mr. Abdella: We can check into that. I would think the town road would actually go right up to the edge of the water.

Legislator Gould: Then why are we leasing it to-

Mr. Abdella: (*Inaudible*) there's some land (*inaudible*) that the County still owns. I will double check the maps, but I think what the County still owns is not the road it's the patch of land off the road. I will get an answer to that.

Legislator Gould: Thank you.

Chairman Nazzaro: I think Mr. Abdella volunteered to look into this, so we'll wait for your (*inaudible*). Thank you. Any other questions? All in favor? Opposed?

Unanimously Carried

Proposed Resolution - Authorize Funding to Construct Educational Kiosks at the Chautauqua Hometown Heroes Veterans Memorial

Legislator Odell: Thank you. Jim Kurtz sends his regards but wished to express on behalf of the committee of the Chautauqua Hometown Heroes Veteran's Memorial Committee their thanks for our continuation of exploring different avenues to fund this. As you will recall the original resolution was put forth last July to pull funding from the 3% Occupancy Tax was tabled at the time. We did promise to look for alternative methods to support this, and that's what we see before us. This resolution before us today did have a couple of updates to the resolution-happy updates regarding updated donation numbers from other entities. One is the change of the Town of Chautauqua's contribution from \$5,000 to \$10,000 and also adding in the addition of the Northern Chautauqua Community Foundation's grant of \$5,000 to further this endeavor to help them with their mission of remembering, honoring and educating. Thank you.

Chairman Nazzaro: Thank you. Questions?

Legislator Niebel: Mr. Chairman, I did have chance to speak to Mr. Kurtz yesterday. I went over the resolution with him. He suggested that where we have 7 kiosks- he is not sure about the number of kiosks, so he is asking if we delete the number 7 in the last whereas and also the last resolved. So, the amendment would be to strike the number 7 from the last whereas and also strike the number 7 from the last resolved.

Chairman Nazzaro: O.K., we have an amendment on the floor to remove the 7. Do I have a second?

Legislator Odell: Second.

Chairman Nazzaro: All in favor of the amendment to strike the 7? Opposed?

Unanimously Carried to Amend

Chairman Nazzaro: I just have one question before we vote. I am supportive of this because I remember this was a very spirited conversation we had. We were all very supportive of this- if I recall, I don't know if it just got overlooked- we were going to hopefully budget this in 2020, so we were not using occupancy funds, but since it was not budgeted I agree that the only other place to take it from right now is out of the use of fund balance. Do we have a total of what the project costs? I know we just had some additional numbers. Mr. Odell, do you know what the total cost will be?

Legislator Odell: The cost of the overall project is just shy of \$90,000. This portion that we're looking to help support is (*inaudible*) on the kiosks. As Legislator Niebel said, it was originally looking at 7, but we're looking at an octagon shape, so we're looking to hopefully take it up to eight while staying in the budget. The original funding was looking to be at \$8,100 on this project, but after a little more shopping and looking at the layout and construction estimates the actual came in at about \$6,500 coming in for (*inaudible*.)

Chairman Nazzaro: Thank you.

Legislator Niebel: Mr. Chairman, last year the original resolution was for \$8,100. That was tabled in July. This is a little less than that but I've talked to a number of legislators. The \$6,500 would help the committee quite a bit and as Mr. Odell mentioned, the total project is about \$90,000, so with this \$6,500 plus the additional bricks that are sold for \$75 a piece they hope to make their total budget, but this will help considerably. I did vote to table the resolution last July because of the fact that it was coming out of the off-cycle funding, but at that time it was suggested that the committee reapply, which they did. Unfortunately there were a lot of projects and this was not funded. It was not included in the County Executive's budget, which there was some talk of and has not been included in the veteran's budget for this year, so it was suggested it come out of the fund balance and as reluctant as I am to take money out of the fund balance, I think it's a worthwhile project and I'm in favor of it.

Chairman Nazzaro: Well said. Again, I'm supportive of this. There's a lot of history here, so I'm going to be able to move forward with this project. Any other questions or comments?

Mrs. Dennison: There was some discussion if- assuming that we were adding this appropriation to the budget, to which department we should add it. We talked about Veteran's Services as Mr. Niebel Suggested, we considered the County Executive's department and also Planning. The resolution is written to add it to the Planning Department. The reason we are proposing that department is just that that department has a good mechanism for approving contracts and we felt that it was probably the easiest way to do it from an operational standpoint.

Chairman Nazzaro: Thank you. Any other questions or comments? All in favor? Opposed?

Unanimously Carried as Amended

Proposed Resolution – Establish Capital Projects for Trail Development and Lake Erie Management Commission

Chairman Nazzaro: Anyone to comment?

Ms. Ames (*Reading comments on behalf of Don McCord*): Before you is a resolution to establish capital project accounts for non-county maintained trail development projects and Lake Erie Management Commission projects. Both capital accounts will provide project funding for a variety of important projects to both increase tourism attractions and preserve our natural resources.

The funds are being placed in a capital account because both are expected to be utilized for projects that will meet the County's definition of capital and ease the accounting pressures these funds have placed on our Budget Department.

While current projects are not utilizing these funds today, we do strongly anticipate that these funds will be needed to support both Lake Erie related projects and ongoing and future trail development projects in the near future.

If you should have any questions regarding either of these accounts, please feel free to reach out to me at 753-6103. Sincerely, Don McCord.

Chairman Nazzaro: Thank you. Any questions or comments?

Legislator Odell: This will really be helpful- we had discussions over the last couple of months in our PED Committee and these funds have been designated or earmarked (*inaudible*) for use when needed, especially on projects like Lake Erie Management Commission where they might be accruing allocations for several years and not needing them until several years down the road to do match grants with (*inaudible*). Thank you.

Chairman Nazzaro: Thank you.

Legislator Gould: How much does this leave in our fund balance?

Mrs. Dennison: As the resolution indicates, all of these amounts are currently in reserves and they are designations. One of them is a designation of the occupancy tax and the other one is a designation of the waterways tax. So, they are in the reserves and any time that we've done a resolution we've always not counted this money, if you will. I can look up the current balances are for those two reserves, but I just want to stress that when we've been making decisions on whether or not to use reserves these monies have always been excluded. So, in a way it doesn't change the picture, it just moves them into a different place. Right now the reserve for occupancy tax- this is including these designations is \$323,363 and out of that \$323,363 currently \$81,000 is all that's designated. So, we're proposing to take all of that designation out of the reserve and the reserve would have an undesignated balance of \$242,000. That's the 3%. The 2%- the Lakes and Waterways- the current balance is \$357,000 and we're proposing to take the \$72,000 out of that, so we would have an undesignated balance of \$285,000 in the waterways occupancy tax reserve.

I should also comment that while the 2019 results are not completely final, the indications are at this time that there is a surplus in both the occupancy tax operating accounts and the waterways, so we anticipate there being an addition to the reserves based on activities in 2019.

Legislator Gould: Thank you.

Chairman Nazzaro: That did provide a lot of clarification. So, these amounts, again just to make sure I understand, these were designated within these reserves?

Mrs. Dennison: Yes.

Chairman Nazzaro: And then the additional amount there in one of the whereas – the third whereas where it says the pledge funds for the integrated (*inaudible*) management plan- (*inaudible*) be removed.

Mrs. Dennison: That's a good question. Thank you for bringing that up. There is within the 2% occupancy reserve there is currently a designation of \$17,203 and that is based on past budgets for the integrated sewage management plan. So, all of these designations really came about because we budgeted for them in the occupancy tax budget and then the funds weren't utilized and people were kind of nervous about just returning the funds into the reserve with no designation, so these items that were budgeted and not used started accumulating within the reserve with the designation attached. In conversations with Mr. McCord when it came to the sewage management plans it was decided that the necessary work has been done in the past and there is also a bunch in 2020 for this work, so that the designation for that piece is not necessary. So, if this resolution passes we will create the two capital projects with those designated amounts, but the \$17,000 is designated for the sewer management. The designation would be removed and that money would just stay in the waterways reserve.

Chairman Nazzaro: The balance remains the same in the reserve, it's just removing the designation?

Mrs. Dennison: Correct. The amount that I gave you- the \$285,000 for the waterways that's after taking out the \$72,000 for the capital project. That includes that sewage management piece, which will remain in the reserve, but the designation will be removed. There would be \$285,000 available with – I don't want to say no strings attached, but no designations attached.

Chairman Nazzaro: O.K. That does clear it up. Thank you for that detailed explanation.

Legislator Gould: I have another question. The first whereas says non-county maintained trail. So, we're giving \$154,000 to trails that we're not going to take care of?

Mrs. Dennison: That's a good question.

Legislator Gould: That's what the resolution says.

Mrs. Dennison: That's what the budget item is called. You're right. That is a strange name-

Legislator Gould: I don't like that.

Mrs. Dennison: I'm going to pull up the exhibit to confirm that that is what we've been calling it for quite a few years.

Legislator Gould: Sorry I'm asking all these tough questions.

Chairman Nazzaro: They are good questions.

Mr. Abdella: We could get Mr. McCord or Mr. Giese on the phone.

Mrs. Dennison: The title of the budget appropriation is non-county maintained trail establishment and development. I believe it is entitled that because county people don't maintain it and we pay other people others to maintain it. I would have to say that is a guess on my part and Mr. McCord would have more information about that.

Legislator Gould: I've got a pretty good argument here.

Mr. Abdella: This was for the portage trail if I recall from previous year's discussions.
(Inaudible.)

Legislator Odell: That's the case in at least one of the projects- the B2CI trail system and it's part of the reason for setting up the capital accounts as such even though prior budgets have (inaudible)from the occupancy tax over the years. They weren't able to be utilized because easements had not been obtained on that or are still in negotiation. Part of the spirit of this is having the capital accounts so that it (inaudible.) If you want to call Mr. McCord it would be good to get a full detail.

Mr. Abdella: I know that right now we-

Chairman Nazzaro: For the record we are calling Don McCord to get this question answered.

Mr. McCord (*Via Phone Conference*): Good morning.

Chairman Nazzaro: We had a question from Jay Gould regarding the verbiage in the resolution for establishing the capital projects for trail development- in the first whereas it refers to the County Legislature pledging funds for non-County maintained trail establishment and the question was why is it referred to as non-county maintained?

Mr. McCord: When this particular fund was established within the county budget, that was how they titled it back in 2014 and that was largely because the trails that were being established- George Spanos who was our Director of DPF at the time believed that the County

could not establish anymore trails to maintain because his force already struggled with the overland trail.

Chairman Nazzaro: Does that answer the question? Jay, do you have further questions?

Legislator Gould: If we're not going to have control over the trail we shouldn't be giving \$154,000 to create the trail.

Mr. McCord: Well, the \$154,000- a portion of that, I believe \$70,000 is for the LEMC and that has to do with harbor maintenance and other items. Approximately \$81,000 is the trail and although we don't have control over it, we do have agreements with municipalities and the Rails to Trails community that will do the maintenance, so we have assured that there will be maintenance we just don't have control over the trail.

Chairman Nazzaro: This is a formal agreement?

Mr. McCord: It's a formal agreement currently with the B2CI trail we have a formal agreement with the Town of Chautauqua and the Town of Westfield. When we began that project they agreed that they would both maintain the trail.

Legislator Niebel: I don't have a problem with the first whereas because the way it's written it does say non-county maintained trail establishment. If it was changed to county maintained trail establishment that would suggest liability. So, I'm O.K. with the way this is written. I think it relieves the county of any potential liability.

Mr. Abdella: I think in essence this is a shared- these are shared projects where the county is contributing capital funds to the establishment of the trail, but other groups are agreeing to maintain the trails. I think at this time our parks budget is decimated. They're not keeping up with maintenance of the overland trails, so unless the County wants to expand budgetary on a permanent basis to maintain these trails I think what's presented before you is an option where it's a partnership and other groups are agreeing to maintain the trails going forward, but they need this money to actually do the establishment.

Chairman Nazzaro: What about going forward? The first whereas says pursuant to adopted budgets in 2015-2017- the money was pledged. What about beyond that?

Mr. McCord: Last year in the 2019 budget and in the 2020 budget the only funds that are set aside for trails at this time is \$20,000, which is earmarked specifically to go to the snowmobile federation to help with the snowmobile trails and we have not put any more money into this in the last two years. These are the only funds available for trail development at this time.

Chairman Nazzaro: O.K. The way Kathleen explained it these monies were designated to these reserves and they were always kind of kept aside when we were given the balance of the reserves, which is fine. Going forward, except for the \$20,000 that you mentioned for snowmobiles, nothing has been designated beyond this?

Mr. McCord: Right.

Chairman Nazzaro: Thank you. Further questions?

Legislator Gould: Can we get an amendment for the resolution that the Town of Chautauqua and the Town of Westfield will be doing the maintenance on this trail?

Mr. McCord: The funds that are in the resolution may be used for multiple trails, so if we put in language about the B2CI trail because that's specifically the trail they agreed to, but if this was used for any other trails then there would have to be another agreement with another entity.

Chairman Nazzaro: Thank you. So, how do you want to proceed?

Legislator Gould: I think we should know who is going to maintain this trail.

Mr. Abdella: There could be other trails. Potentially, you could put in that whereas clause that Chautauqua County Legislature pledge funds for non-county maintained trail establishment and development in which either other municipalities or not for profit organizations shall be responsible for future maintenance of such trails.

Legislator Gould: I'll make a motion to make that amendment.

Chairman Nazzaro: Did everyone understand the amendment?

Legislator Harmon: I'll second that.

Chairman Nazzaro: All in favor of the amendment? Opposed?

Unanimously Carried to Amend

Chairman Nazzaro: Any further discussion on the resolution as amended?

Mrs. Dennison: I would just like clarification. Is "non-county maintained" stricken?

Chairman Nazzaro: No, that remains.

Mrs. Dennison: I just wanted to comment that I think there's a little bit of a disconnect here because the money when it was budgeted for trail maintenance by some entity other than the county. If we put it into a capital project it's not so much for maintenance but for establishment and development because it would be in a capital project and typically capital projects are not just for maintenance. So, I think the non-county maintained is because we're referring to what it was called when that budget was created and the resolution as I said, putting it into a capital project would be to do establishment and development and after the trails are established and developed or while they're being considered for establishment and development I think that's the time when the maintenance issue comes into play because as we discussed- like right now we don't even know where they would be, we don't know what they would be, so I think it's- I'm

not saying that the amendment shouldn't be there, but I just wanted to offer that clarification that the non-maintained is really just a title rather than a declaration of what's going to happen in the future.

Mr. McCord: Kathleen, if I could, I would like to go off of that. The intent of the original account when it was established within the County budget was always for the establishment and development of trails. Why it was titled "non-maintained" was just simply that the County would not maintain the trail once it was established and developed.

Chairman Nazzaro: That makes sense the way you just explained it. Any other comments or questions before we vote on the amended resolution? All in favor? Opposed?

Unanimously Carried as Amended.

Chairman Nazzaro: I'm going to take the late resolutions out of order and then we can finish with discussions.

Proposed Resolution - Requesting Continuation of State Legislation Authorizing 1.0% Additional Sales Tax

Mr. Abdella: There are two resolutions and they both (*inaudible*) 1% additional sales tax and our current 5% total occupancy tax are up for renewal with the State Legislature. They both expire in November of this year. We were advised by the New York State Association of Counties that we needed to get our requests into our State Legislators requesting the extension of those taxes. This would be with no change to the current legislation, but would extend them for whatever period the State Legislature decides to extend them for. This has in the past been a two or three step process in which we make the initial request and then our State Legislature provide us with home rule legislation to go forward and request them to adopt specific legislation for our county. I will mention that last night on a phone call with NYSAC regarding the Coronavirus the subject of the sales tax and occupancy tax extenders came up and because the State Legislature may be shortening its session there's a likelihood that they may include the extenders in the annual budget and do so literally in the next few weeks. It may not end up being a two or three step process. It may end up being just this step or no step. I think it still makes sense for the County to go on record that it does wish to have these extended.

Chairman Nazzaro: Thank you, Mr. Abdella. So, this would be to take effect December 1, 2020 and continue through November 30, 2023?

Mr. Abdella: That's based on- three years is what they have been normally doing in terms of extensions and they have decided that when they do extenders they want them to be uniform state wide. We could request whatever we want, but what they will do is extend it for a uniform period for all municipalities. I'll mention that in both cases the authority to have the additional 1%- to have the occupancy tax is state authority for us to continue it. I mean, we as a county can decide not to have those taxes at any time, but this just gives us the authority to have them if we wish to.

Chairman Nazzaro: This gives us the authority to continue- if we did not do this it would revert back to 7%?

Mr. Abdella: That's correct.

Chairman Nazzaro: I always get a little- I know the sales tax allocations can be a little confusing at times because there's different components to it. (*Inaudible*) three-twentieths of the net collections go to the cities and towns, so that's- what percentage is that?

Legislator Niebel: 15%.

Chairman Nazzaro: 15%? Is that correct? Kathleen? Kitty?

Mrs. Dennison: Yes.

Chairman Nazzaro: So, 15% of the additional 1% goes back to the cities and towns and then 85% comes to the county. What does that mean- I used to know these- do you have the distribution?

Ms. Crow: There's a total of three components. There's a base 3%- shared 50% by the county and 50% by the municipality. An additional .5% is shared 70% by the county and 30% by municipalities and then the other additional .5% is 100% allocation to the county. So, of the total extra 4%- the state gets 4% of our 8% and the remaining 4% gets allocated in three ways, so it averages out to .235 is retained by the county 1.65 ends up allocated back to the municipalities.

Chairman Nazzaro: Could you send that out to the Audit & Control Committee especially because we have a couple of new members, especially how sales tax is calculated because it's very complicated and the allocation for what the towns and villages get- is that based on (*inaudible*) the assess value of property?

Ms. Crow: Yes. Part of the calculation is based on the formula of the allocation- the cities are different than the towns and villages, but yeah, there's a portion that's based on the valuation (*inaudible*.)

(*Cross-talk*)

Chairman Nazzaro: We would appreciate the summary of how the sales tax is- I know the 4% goes to the State, the 3% is split in half, the next half of the-

(*Cross-talk*)

Mr. Abdella: I don't understand the split of the 1% because it's to be, and has been, three-twentieths of that 1%- I don't know why there is a split of the first .5%-

Chairman Nazzaro: There's a history here-

Ms. Crow: I don't have all the exhibits that we've gone over in the past with me, but we've- nothings changing from the way- there's no change in the language from the last time we adopted this resolution and there's no change in how we're distributing it. So, if we want to have another discussion to go in depth of how all the formulas work, I think we could do that. I don't have all of those handouts ready to give to the committee right now, but nothing's changing in terms of what's been established.

Chairman Nazzaro: I guess the one thing I want to bring out because this has been sort of a hot topic in the past and I understand that maybe we're under a different structure at this time because of everything going on at this time and maybe the process with change, but my understanding was that additional .5% between the 7.5% and the 8% was (*inaudible*) where the county got the money and I know in the past we have had the municipalities voice a concern that they're not getting a share of that additional half percent? Is that correct?

Mr. Abdella: At the time that the county went beyond 7% the county was also forced to exempt all residential energy taxes. At the time that happened, our Assemblyman was concerned about the municipalities other than the county feeling a negative impact from the loss of the sales tax associated with residential emergency. So, a portion of whatever additional tax we were authorized to have was put into our authorization to have that tax in order to compensate those municipalities for the lost residential energy tax revenue. The amount has changed as the amount of additional sales tax has changed because we haven't always been at 1%. At one point we were at (*inaudible*) and they would adjust the amount each time they changed our additional sales tax to keep the municipalities the same, so the three-twentieths is the fraction that they applied to it when its 1%. When it was .75, they applied a different fraction to try to keep the municipalities at the same level of revenue. So, I'll talk to Kitty later-

Ms. Crow: Yeah, nothing has changed.

(*Cross-talk*)

Mr. Abdella: At the end of the day the State Legislature is requiring us to share a portion of this additional 1% with local municipalities.

Chairman Nazzaro: And I remember one time wasn't our sales tax rate at eight and a quarter? What does a quarter of a percent in sales tax mean to the county revenue?

(*Cross-talk*)

Ms. Crow: Trying to remember off the top of my head- \$8 million is in my head, but it could be-

Legislator Niebel: Was that for the 1% instead of the .5%?

Ms. Crow: That might be correct.

Chairman Nazzaro: The only reason I'm bringing this up and I'm not trying to create confusion- I know when this came before the Legislature three years ago I made an amendment on the floor to give more back to the cities and the villages because a lot of our municipalities are suffering from their budgets and at the time I think the amendment was misunderstood. It was not just meant for Jamestown and Dunkirk, it was meant that .5%- some of that would be allocated back to help our municipalities and giving a little bit back to them.

(Cross-talk)

Chairman Nazzaro: That's why I want the breakout of the tiers again just to make sure we're not missing an opportunity. I understand the State Legislature frowns on changes to the formula and I'm not saying I'm proposing a change, I just want to make sure everyone understands when we pass this. I'm supportive of maintaining the 1%. We have to do that, I just want to make sure – is this a time to look at how we allocate back to the cities and municipalities because I get calls all the time to see if we can help them.

Legislator Harmon: That makes sense. I would like to see the breakdown and I'm in favor of the 1%.

Legislator Niebel: Steve, I'm wondering why some place in this resolution we don't have that- right now Chautauqua County charges 7% sales tax and this extra 1% sales tax will bring it up to 8%. I think that would clarify the whole resolution, but I understand where we're coming from. Do you think that should be in there?

Mr. Abdella: We could add an additional whereas, but obviously we're at 8% right now and have been for some time. This is not changing that.

Legislator Niebel: Alright, but our base is 7% and the additional 1% then brings our total sales tax for Chautauqua County to 8%. I think for somebody like me that kind of clarifies it a little bit, but that's up to you guys. Also, Mr. Chairman, just as a point of clarification of this 4% that the County receives what were those breakdowns on the percentages that the County ends up with and the municipalities?

Ms. Crow: Well, it basically ends up being the fractions that are described in the resolution.

Legislator Niebel: O.K., what I come up with is out of that 4%, 2.35 goes to the county and 1.65 goes to the municipalities?

Ms. Crow: I'd rather have the discussion when we could have the exhibits in front of us. I think it would be more productive and more clear. Steve and I have prepared exhibits in the past and we could bring them back to the committee if that's something you'd like me to go downstairs and see if I can bring up, I'm happy to do that, but I know it's hard to go through calculations in my head.

Legislator Niebel: Kitty, of the three percent that the County gets, I took 50% and gave it to the County, took 50% to the municipalities, the additional .5% I took 70% and gave it to the County and 30% to the municipalities and then the additional .5% all goes to the County? Correct?

Ms. Crow: Correct. That's how it ends up working, but I –

Legislator Niebel: I think it comes out to be about 2.35% of that 4% that goes to the County and 1.65 goes to the municipalities.

Mr. Abdella: That would be correct.

Chairman Nazzaro: Thank you for explaining that. That was a point I wanted to make, and again, I'm just bringing it up now because this only comes up every three years. I'm supportive to maintain the additional 1%, I just want everyone to understand once you hit 7.5% the County is getting that whole .5%, so for example if-

(Cross-talk)

Chairman Nazzaro: And that was the discussion we had three years ago. Should we allocate any of that to the municipalities? I know the County budget- we have our budget challenges, but so are all the municipalities. We'll get that breakout from Kitty. I think that would be good information on how the tiers work. Any other comments or questions? All those in favor? Opposed?

Unanimously Carried

Proposed Resolution - Requesting Amendment of State Legislation Regarding Imposition of Occupancy Tax

Mr. Abdella: This would be a continuation of the occupancy tax at the 5% with 3/5's dedicated to promotion of tourism and 2/5's dedicated to lakes and tributary streams.

Chairman Nazzaro: Thank you. Any questions or comments on that? All in favor? Opposed?

Unanimously Carried

Discussion – Safety Coordinator Position – Fn. Director Crow

Discussion - Preliminary 2019 Financial Results – Fn. Director Crow & Budget Director Dennison

MOVED to adjourn by Legislator Gould, SECONDED by Legislator Niebel

Unanimously Carried (10:30 a.m.)

Respectfully submitted and transcribed,
Kathy K. Tampio, Clerk of the Legislature/ Olivia Ames, Deputy Clerk