

Minutes

Audit & Control Committee

**November 12, 2020, 8:35 a.m., Virtual Meeting via Zoom**

Gerace Office Building, Mayville, NY

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

Others: Tampio, Ames, DeAngelo, Bentley, Griffith, Chagnon, Carrow, Crow, Abdella, Braley, Dennison, Wendel, Schuyler, Button

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

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Approval of Minutes (10/22/2020)

MOVED by Legislator Niebel, SECONDED by Legislator Harmon

*Unanimously Carried*

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Privilege of the Floor

Chairman Nazzaro: Olivia, any communications for the privilege of the floor?

Deputy Clerk Ames: I have no communications.

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Proposed Resolution – Amend Resolution 148-20 –Authorizing Landfill Renewable Natural Gas (RNG) Agreements with Chautauqua Green Energy LLC (CGE)

County Attorney Abdella: I think everyone will recall that over the summer we authorized an agreement for the development of a renewable natural gas facility at the landfill. That's a 20 year agreement and the original agreement provided that CGE would construct the plant within 24 months. As we've gotten into the project and working with New York Green bank which is a division of NYSERDA, the New York State Energy Research and Development Authority that is financing the project. The CGE as part of the project needs to apply for various permits and those are expected to be received in the next three to five months but what is desired at this point is having them be able to move forward with various things including making equipment orders and things that have a long lead time. The bank is willing to finance those without the permits in hand but as part of their financing requirements and their own collateralization requirements, is asking for sufficient collateral to support those advances on the financing even if, for whatever reason, the project were not to move forward or permits not be received. So what they have identified as sufficient collateral in their view would be, (*inaudible*)

the rights to or the ability to obtain some of the revenue from the existing gas to energy plant which as you probably recall, CGE takes over from us, not only having some land and the rights to build the RNG facility, also to operate the existing electricity plant. So what is proposed here is that the construction – the paragraph in the agreement that requires construction within 24 months, would be amended to state, the earlier of 24 months of the receipt of permits or within 84 months of the execution of the lease agreement. The 84 months is essentially the banks estimate of how much, if for whatever reason the RNG plant was not built, that would be the amount of time where they estimate they could be repaid from the revenues from the electricity plant for advances they would be making for equipment etc. before permits are received. As I mentioned at Public Facilities Committee, our view of this really is that this is really a three way project in terms of it being CGE, the County is the owner of the property and the landfill, and then New York Green bank, NYSERDA being the financing agent for this green energy project. I'd be happy to take any questions but that's what's causing the need to make the adjustment to the resolution.

Chairman Nazzaro: Thank you for that very thorough explanation Steve. I will entertain questions or comments from the committee?

Legislator Niebel: One quick question. That's 7 years of potential revenue as far as collateral?

County Attorney Abdella: Yes.

Chairman Nazzaro: Any other questions? Just as we discussed in Public Facility, just an FYI, and Steve correct me if I'm wrong, to date, we've received \$375,000, I believe, and the balance of \$625,000 due by the end of the year. Is that correct?

County Attorney Abdella: That's correct.

Chairman Nazzaro: So it does not affect what we've budgeted here so the terms are the same regarding the payments.

County Attorney Abdella: That's right.

Chairman Nazzaro: O.k., seeing no other questions or comments, all in favor?

*Unanimously Carried*

Proposed Resolution - Amend Capital Project Accounts due to Fleet Management Services  
(Chautauqua County Airport at Dunkirk)

Mr. Bentley: As we discussed this at Public Facilities, I'll go through this again. It's a little complicated but I think we did a little Audit & Control at Public Facilities so hopefully I can answer all the questions that you had there as well.

So what this is, is basically we are going to continue with our leasing program of our light duty vehicles at the DPF. We have found that the ones that we did from 2019 are returning

a positive equity value and it's affording us the opportunity to turn in one year old leased vehicles and basically net the capital appreciation and do new vehicle leases. So that amounted to about \$34,000 over four years so based on the estimates from Enterprise and we'll be putting those into new vehicles which saves us vehicle maintenance because we get new tires, new brakes, the new warranty is extended by the year, by the new vehicle so, I'm a believer in the program now. It was a pilot program so now I'm a believer. We have opportunities to purchase more light duty vehicles. This one specifically is for the Dunkirk Airport and I'll explain the next resolution is for the highway. We had an approved capital project for 2020 to purchase a F250 with a "V" plow for the Dunkirk Airport. So instead of purchasing that vehicle, we're going to put that vehicle into the lease program and because it was an approved capital project, we returned the capital dollars into the capital reserve which is \$39,000. So you decrease the use of fund balance, you decrease your appropriation accounts for the interfund transfers and then you decrease the appropriation capital account which actually returns it back into capital reserve. And Kathleen is going to correct me when I say something wrong. Then, because we don't actually start the lease until 2021 because it will take us about 3 months to get the vehicle upon legislative approval of this resolution, we expect the new vehicle to come in around March so that would give us about 10 months of lease payments in 2021. We would need to adjust the adopted budget for 2021 by increasing the use of fund balance, the unassigned fund balance to the amount of \$6554 which is based on the quote from Enterprise on what the new vehicle would cost for the lease payments. So that is an actual dollar amount from Enterprise. Then you would also increase the appropriations account for the Dunkirk Airport to pay for those lease payments to the tune of \$6,554. A lot of things but that's the way we kind of have to move things from capital to the operating expense side of the ledger.

Chairman Nazzaro: Thank you Brad, I'll say it before Kathleen does, as was said in Public Facilities, and it's not a significant amount, we're decreasing the use of the reserve for capital as Brad pointed out but I just want to note again, we are slightly increasing the use of the unobligated fund balance in the operating account. Because leases are considered an operating expense. Not a bad thing. Eventually you'll catch up but that's the only little, I want to say negative to it, but it certainly outweighs the benefits of the program. So, any questions or comments from the committee?

Legislator Odell: We (*cross talk*) Airport Commission too and Brad, I totally get where we come from on this when we got it to the Enterprise lease initially, we like to dip our toes in the water first and then let it be proven. You are a believer, we're a believer now so glad this is going to work.

Mr. Bentley: We're replacing a 2005 F250 truck that is, I will say, on its last leg. This is an approved capital project just for that very reason. So we're really not going back to say it's not needed but it's really replacing something that is definitely needed up at the Dunkirk Airport.

Chairman Nazzaro: Kathleen, you had your hand up.

Mrs. Dennison: I noticed one small typo in the resolution. In the first RESOLVED clause where it says decrease the use of fund balance, where it says, point eight seven eight point, there should be four zeros after the last decimal point so the account number should read, A.----.----

.878.0000. So hopefully Olivia and Kathy, you could add those where I failed to add them. One other comment, Chairman Chagnon wanted me to add this and it goes to Chairman Nazzaro's comments about use of the unobligated fund balance. If you look at the second WHEREAS clause, you'll see that we're decreasing the interfund transfer amount. That's an "A" fund or operating account so that decrease in appropriations does cause an actual addition to unobligated fund balance because it's a lowering of the appropriations but doesn't show in the resolution is that extra accounting step that happens. So when we make all of these changes, we do temporarily increase the unobligated fund balance because we're reducing the interfund transfer expenditure but that savings, if you will, or addition to the unobligated fund balance is a transfer into the reserve. So it's just a temporary increase in unobligated fund balance, that increase is then, as I said, decreased in the decrease of fund balance actually (*inaudible*) up into the reserve for capital. But that transfer between unobligated fund balance and reserve for capital isn't illustrated in the resolution but does happen in accounting practices.

Chairman Nazzaro: O.k., good clarification, thank you. Any questions or comments?

*Unanimously Carried*

Proposed Resolution - Amend Capital Project Accounts due to Fleet Management Services (DPF Large Equipment)

Chairman Nazzaro: Very similar resolution.

Mr. Bentley: This will be very similar to the last resolution. We are proposing to lease three F250's and two F150's as replacements to DPF vehicles that are similar. They are in need of replacement and again, this lease program is returning benefits on both the capital appreciation side and the maintenance side. So, for these amounts, we'll be returning \$142,000 into the capital reserve as Kathleen just went through. I won't go through that again and then the 10 month lease cost for 2021 is \$29,583. So to get to an annualized cost, you would just, that's 10 months out of 12 so you add another two months of cost and that would be, if you are looking at 2022 full year cost, reoccurring costs, I haven't done the math but probably \$32/33,000 somewhere around there. That would be ongoing but on the hopes of in another year or two, if we see similar capital appreciation and we have new lease vehicles, that annualized cost keeps going down as long as we have that capital appreciation in addition to saving on the vehicle maintenance side. That's what makes this program worthwhile. I did it as a pilot program to see how that would work and it seems to be working out well.

Chairman Nazzaro: Glad the program is proving beneficial. Any questions or comments?

*Unanimously Carried*

Proposed Resolution – Applications for Credit of Real Property Taxes for 2020

Chairman Nazzaro: Who's going to talk on this? It went through Administrative Services and it's to make a correction on the 2020 tax roll. Anybody want to comment?

Ms. Crow: I'm sorry, I thought that Todd might be on this morning but if there are any questions I can reach out to him to see if he can join.

Mrs. Dennison: I would just add a comment from Administrative Services that Todd did address the committee on Monday night and indicated that there was an error in assessing the tax but it is a school tax. He said that the County will not be negatively affected by this change. It is the school that is losing the tax revenue that was incorrectly credited to the school district.

Chairman Nazzaro: I don't remember seeing too many of this type of resolution before but I'm sure it occurs occasionally.

Chairman Chagnon: The reason we haven't seen very many of these is that we only go through the committee with these when they are more than \$2,500 so yes, I see a lot of these as Chairman. I have to sign off on a lot of these smaller ones but if they are greater than \$2,500, they have to come through a committee.

Chairman Nazzaro: Thank you for that clarification. Any questions or comments?

*Unanimously Carried*

#### Proposed Resolution – Distribution of Mortgage Taxes

Chairman Nazzaro: This is for the period of April 1, 2020 through September 30, 2020. Who would like to – I always have the question, how does this compare to the same period a year ago, so I can ask that now.

Chairman Chagnon: Last year for the same period the total amount of \$921,329 so it's roughly four and a half thousand dollars less than the same period last year.

Chairman Nazzaro: Thank you. We always know our Chairman does his homework.

Ms. Crow: I will just add with respect to mortgage tax receipts, we have been tracking to our budget for the year so this is one of the areas where we have been on track fortunately.

Chairman Nazzaro: I'm sure our realtor on our committee can attest to the fact that a lot of homes are selling. Right Mr. Niebel?

Legislator Niebel: Yes they are.

Chairman Nazzaro: Any questions or comments?

*Unanimously Carried*

#### Proposed Resolution – Amend 2020 Budget Appropriations – Office Services

Mr. DeAngelo: A little bit of background, we had our courier get into an accident about a year and a half ago. So he was out on medical leave for a good year and a half. We had to fill that spot with a substitute and that lasted longer than I had anticipated. So I did anticipate some loss but it lasted longer than I thought. So we went over budget in our .1's, like our salaries for Office Services. One good thing that came out of COVID is that we used a lot less postage that we anticipated. So I was able to cover the overage in .1's with some contractual monies that we will not be spending in 2020 so there won't be a huge impact on the budget overall and that's a good thing. Another good thing is, the courier is back to work now and so we're only paying one courier now so this should not be a problem moving into 2021.

Chairman Nazzaro: Thank you Jon. I'm glad you were able to offset it by the decrease in postage expenditures. I'm glad the courier is back and is doing well. Any questions or comments?

*Unanimously Carried*

Proposed Resolution - Authorize Agreement Between Chautauqua County and City of Jamestown for ALS-BLS Billing

Chairman Nazzaro: I just want to comment. This has been a very long process and I'm very glad this is coming forward at this time before the end of the year and I'll let Mr. Griffith talk about this if you will John.

Mr. Griffith: Thank you Mr. Chairman and thank you to the leadership of Chautauqua County for helping get this done. County Executive Wendel, Legislative Chairman Chagnon, Mr. Nazzaro, Mr. Niebel, your hard work along with Mayor Sundquist and his staff has enabled us to get this done. This is an agreement that mirrors exactly what we have in the City of Dunkirk to allow for billing ALS services in the City of Jamestown. It's a key part of the system moving forward and very pleased to bring this resolution to the committee today for approval. If there are any questions on the agreement, I have it with me and I see that Mr. Abdella is here also.

Chairman Nazzaro: I'm very familiar with this so I will open this up to questions or comments from anyone else on the call.

Legislator Niebel: This has been a long time coming and I just want to thank John for staying on top of this and following it through.

Chairman Chagnon: I would also like to compliment John for his diligent work in bringing this to conclusion. For this committee, I would also like to recognize your work Chuck, in working with the City of Jamestown to bring us to a conclusion on this. Obviously this is an agreement between two parties and the County was very well represented. You were very instrumental in working with the City to keep them at the table and bring this to conclusion. So, thank you for your work on this as well.

Chairman Nazzaro: Thank you Pierre. Again, I'm just pleased that we are able to bring this to an agreement that will be effective at the beginning of the year. Also as we all know for the 2021 budget, we did have revenue in our 2021 budget based on this agreement going forward so that is another positive here that we won't have to change our 2021 budget. Again, as pointed out, pretty much it mirrors what we have in the City of Dunkirk. Any other questions or comments?

*Unanimously Carried*

Proposed Resolution – Amend Emergency Services 2020 Budget for Vehicle Accident Claim

Mr. Griffith: This was an accident involving one of our Medic units. This is the insurance monies coming into cover the expenses less the deductible of \$2,500. The machine is (*inaudible*). The driver was not hurt in the accident and we're very thankful for that and it's back in service.

Chairman Nazzaro: Any questions or comments?

*Unanimously Carried*

Proposed Resolution – Authorize Agreement with Town of Ripley for Enhanced Police Protection Services FY21

Under Sheriff Braley: Out of the items on the agenda, this one is an enhanced police protection contract we have with the Town of Ripley. We have had this for many years and this is simple a renewal of that contract. The cap on this contract is \$35,000. It's based on an hourly rate of \$43.08 for standard hours and overtime rate of \$54.52. The revenues are included in the 2021 budget as are all the rest of the resolutions so there will be no budget amendment necessary for this contract. We provide (*inaudible*) a couple of days of shift coverage down there on a rotating basis (*inaudible*)...

Chairman Nazzaro: As the Under Sheriff pointed out, it is already in the 2021 budget so it's just authorizing the agreement. Any questions or comments?

*Unanimously Carried*

Chairman Nazzaro: O.k., the next six items, items 10 through 15 are all agreements for court security at the same hourly rate of \$32.80. So, I will entertain a motion to block those, if anyone so desires.

Legislator Odell: So moved Mr. Chairman.

Legislator Gould: Second.

Chairman Nazzaro: All in favor of blocking?

*Unanimously Carried*

Chairman Nazzaro: I'll read each one and if there are any questions or comments, just ask and then we'll vote in a block.

Proposed Resolution - Authorize Agreement with Town of Ellery for Court Security Detail  
FY21

Proposed Resolution - Authorize Agreement with Town of Harmony for Court Security  
Detail FY21

Proposed Resolution - Authorize Agreement with Town of North Harmony for Court Security  
Detail FY21

Proposed Resolution - Authorize Agreement with Town of Kiantone for Court Security Detail  
FY21

Proposed Resolution - Authorize Agreement with Town of Mina for Court Security Detail  
FY21

Proposed Resolution - Authorize Agreement with Town of Stockton for Court Security  
Detail FY21

Chairman Nazzaro: Mr. Braley, anything you want to comment on these?

Under Sheriff Braley: The only thing I would add is, this year the Town of Mina contract, they are sharing court times with the Town of French Creek so we'll be providing security for both of those town courts. However, we're going to contract specifically with Mina and they are going to square up with the Town of French Creek for any outstanding additional for trials and things of that nature.

Chairman Nazzaro: Thank you for that clarification. Any questions or comments from the committee?

*Unanimously Carried*

Proposed Resolution – Accept Health Research, Inc. COVID-19 Response Funding

Mrs. Schuyler: Can you hear me?

Chairman Nazzaro: I can.

Mrs. Schuyler: O.k., Jon has audio trouble so I've also dialed in, in hopes that one or the other, the computer or the phone is working. Thank you Mr. Chairman. This morning the resolution before you to increase the COVID response funding is related to some monies we've

received through the State Health Department their contract to Health Research Incorporated. This is an increase to our Public Health Emergency Preparedness grant so it gives us additional money to respond to the ever ongoing COVID-19 pandemic.

Chairman Nazzaro: Is all this money been spent?

Mrs. Schuyler: Well, it goes back through March so we claim as we get costs. Some of the issues with this is, we're trying to keep out what we think FEMA will reimburse versus what our grants will reimburse and then whatever grants and anything else is reimbursed is when we'll go to State aid. Fiscal is keeping good track of everyone's time and also any other costs that we have related to it with the grant (*inaudible*). We'll more than expend this.

Chairman Nazzaro: Any questions or comments?

*Unanimously Carried*

Proposed Resolution – Amend Chautauqua County Health & Human Services 2020  
Adopted Budget for Personal Services & Employee Benefits Costs

Mrs. Schulyer: Again, we are adjusting our 2020 budget because personal services and benefits in certain program areas have gone over what we had budgeted for in those areas and we are under in other areas. So we are asking to please switch the accounts around to cover where we have put more time and energy into. I will say with a caveat and Val said I could do this. She did make a little error on the HEAP program when she was putting personnel in. A part of that is fixing that.

Chairman Nazzaro: Val is always very transparent when it comes to this. I appreciate that. As Christine pointed out, it is budget neutral. We're you able to find offsets?

Mrs. Schuyler: Yes.

Mrs. Dennison: Chairman Chagnon sent me an email after the Health & Human Services Committee meeting with a question about the resolution and wanted me to provide additional information. I have to admit Chairman Chagnon, I don't quite understand the questions so if you would like to ask it again, I will try and get an answer.

Chairman Chagnon: It's not so much a question as it is an observation. That the proposed resolution is increasing the appropriations is only partially offsetting the reductions in the adopted budget that we're made in the budget amendment that we did in May. So in May we reduced these accounts considerably in the amended budget and now this resolution is restoring some of that reduction but not all of it. So this doesn't bring us above the adopted budget, it brings us closer to the adopted budget.

Mrs. Dennison: Yes. O.k., I viewed it more as a question and that's why I was confused but I did double check all of the ups and downs. In the May resolution, due to COVID, in the Department of Social Services, the four departments that are represented here, there was a

reduction of \$383,000 between the 1's and the 8's. So there were some reduction in those accounts as Chairman Chagnon pointed out. A lot of these are now going up a little bit with the exception of Lead which is going down again, but the current resolution is budget neutral. So the department is maintaining its overall reduction in its budget, personal services and employee benefits for these classifications, retaining that reduction of almost \$384,000 overall.

Chairman Nazzaro: Thank you for the clarifications. Anything else from the committee?

*Unanimously Carried*

Chairman Nazzaro: I don't believe we have any other resolutions than what was prefiled. I didn't see anything under "other". Is there anything from our Finance team?

Other

Discussions: Modify Capital Project in EMS Budget – Budget Director Dennison

Sale Tax Update – Todd Button

FEMA COVID-19 Update – County Executive Wendel

MOVED by Legislator Gould, SECONDED by Legislator Niebel to adjourn.

*Unanimously Carried (9:21 a.m.)*

Respectfully submitted and transcribed,  
Kathy Tampio, Clerk/Olivia Ames, Deputy Clerk/Lori J. Foster, Sr. Stenographer