

Minutes

Audit & Control Committee

Thursday, January 19, 2017, 8:35 a.m., Room 331

Gerace Office Building, Mayville, NY

Members Present: Chagnon, Nazzaro, Muldowney

Members Absent: Borrello, Gould

Others: Tampio, Aldrich, Gerace, Dennison, Lis, McCoy, Carlson, Horrigan, Himelein, Abdella, Leone, Marsh, Porpiglia, Crow, Caflisch

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

MOVED by Legislator Nazzaro, SECONDED by Legislator Muldowney and duly carried the minutes were approved. (12/15/16)

*Unanimously Carried*

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

County Executive Horrigan: I'd like to announce that we have made a selection for Budget Director. I thank Legislator Chagnon for serving on the search committee but your new Budget Director will be Kathleen Dennison and she's coming to us from the Sheriff's Department and many of you know well and right now the Sheriff's not very happy but she's going to be terrific. We now have our financial team in place which will be February 1<sup>st</sup>. (Applause)

Chairman Chagnon: Nice picture in the press release. Anything else under the privilege of the floor? Seeing none, we'll move on.

**Proposed Resolution - Transfer DPF Administration Petty Cash from Checking to Cash**

Legislator Nazzaro: If no one is here to talk about it, we talked about it in Public Facilities and it was a very simple thing. They don't use the checking account anymore. They have a \$150.00 in there currently and \$50 in the petty cash and they want to close out the checking account and make the cash account \$100.00.

Chairman Chagnon: Thank you for that explanation. Doing double duty. Any further discussion?

*Unanimously Carried*

**Proposed Resolution – Close Accounts for Completed Department of Public Facilities  
Projects as of 12/31/16**

Ms. Marsh: You are going to see several of these resolution from different departments but we made a conscious effort this year to send out request to every department head to go their projects and if anything could be closed, let us know and even if it couldn't be closed but could be capitalized. So, this is the list that could be closed as of the end of the year.

Legislator Nazzaro: The only question that I had Sue that I asked Kitty in Public Facilities about the dollar amounts of these. There are no dollars associated and she assured me that they were small amounts but –

Ms. Marsh: You mean how much would go into capital reserve?

Legislator Nazzaro: Right. It would have been good to know how much would be moving.

Ms. Marsh: Well, we don't know 100% until we balance it out and make sure all the invoices are in there but I don't recall any of them having huge amounts. I can get you my worksheet that I gave them which would be preliminary.

Legislator Nazzaro: And a lot of them are related to the airport.

Ms. Marsh: Correct.

Legislator Nazzaro: Which would be small because our local share is small but it probably would be good information to have Mr. Chairman.

Chairman Chagnon: I agree.

Ms. Marsh: I will send you the worksheet that has the information up till now. Again, once we balance it out there might be some more invoices that we're waiting for but, that will give you an idea.

Chairman Chagnon: I think that we would appreciate seeing those.

Ms. Marsh: O.k., I'll send it off to you guys.

Chairman Chagnon: Any other questions or comments? I would just like to make a comment that one of the audit observations was that we had substantial amount of capital in progress, right? And some of these capital projects had gray hair on them so we took a concerted effort to try and get these projects closed out this year where we could. So, I certainly appreciate the work that Sue and the Finance department did in that regard as well as the departments that had the projects. I think that we're in a much cleaner and better shape now having done that in 2016 so I don't expect to see that as an observation in the 2016 audit.

Ms. Marsh: Hopefully not. I think I overwhelmed Todd with the amount of work to get done in the next couple of months but I'm not sure he physically can get it all done in the next two months, but we'll see. It's in progress.

Legislator Nazzaro: It's improving.

Ms. Marsh: Yes.

Chairman Chagnon: We're clearing up things that have been hanging around for a long time so it doesn't happen overnight. Anything else?

*Unanimously Carried*

**Proposed Resolution – Authorizing Public Hearing Regarding Modification of Improvements for Phosphorous Removal in the Treatment Plant of the North Chautauqua Lake Sewer District**

Mr. Carlson: Here we are again. Two years ago almost, the Legislature approved a \$2.8 million dollar spending for modifications to the treatment plant in Mayville to accommodate DEC in removing phosphorous. Between then and now, we went with a different engineer, we felt at one time AD Com had merged with URS and something went seriously wrong there and we just weren't getting the engineering product out of them that we should have. We had to come to a decision of, let's move on. So we went with an O'Brien & Gere and as you know, they are doing South & Center and just about everything else in regards to the sewer so it was a really good fit. So, that kind of put us back a little. They came out with a little different plan and also between then and now, we were able to hopefully get zero percent funding or loan for this, interest. The other component was, DEC now requires us to dechlorinate. Not only do we have to chlorinate or disinfect, we use chlorination, we not have to dechlorinate. What we put in, we have to take out. That takes you in a little different direction and UV which doesn't have anything to do with chemicals was a good fit for us. We're in a low electric cost area with Mayville. It's proven to work but it's a lot of money. So, that brought this whole new package together and then Steve came in and there is a process that we have to go through again, approval process to satisfy the Comptroller and maybe you can add to that.

Mr. Abdella: It involves having a public hearing on the revised map and plan improvements and sending notice of that to all of the district property owners which includes advising them of what the new maximum amount per cost to be expended would be and what that impact would be on the annual cost to the typical single family home within the district. Which even though the maximum cost is going up substantially from \$2.8 million to \$3.9 million roughly, because of the no interest financing, this demonstrates the power of no interest financing because even with that increase, the amount proposed to be increased to district owners is actually less, \$6.00 less, per year than it was for the original \$2.8 million dollar project with what was projected at that point to be 3.5% interest. Notice that this public hearing, if approved, notice would go out to the district property owners. You would hold a public hearing next month and there would be available for your action at that meeting, a resolution to approve the project and then in addition to that, a bonding resolution to approve at the modified amount and that

would allow the district to make a March 1<sup>st</sup> application deadline for the no interest, EFC financing,

Chairman Chagnon: Tom was rather modest of the impact of these improvements because they are very substantial. DEC required dechlorinate so rather than bear that expense, they took the opportunity to go to ultra violet disinfection which removes the hazardous chlorine gas that they have been utilizing for chlorination. It's a better process and as Tom said, it's a little expensive but it was affordable with the no interest financing. They are also rectifying a situation where their old generator only was capable – the backup generator was only capable with only powering part of the plant, now they are going to install a generator that will power the entire operation when needed. Then they are replacing the bar screen which literally the first stage of the treatment operation which is outdated and needs a replacement. So, they get a much better project for less money for the users so it's a win/win. Any questions or comments?

Legislator Nazzaro: You are so well educated on that, much better than I am but on the financial side, it worked out because the project came in higher due to the reasons you gave but fortunately we're getting that interest free so I thankful that we got that award. So that award is approved, interest free?

Chairman Chagnon: The award is approved, the application that has to be filed by March 1<sup>st</sup> and then the award - the financing will be finalized by November, I think.

Legislator Nazzaro: So it's sort of a formality of getting the interest free? I mean, it's not 100% then that we're going to be getting that?

Chairman Chagnon: If we make the application by March 1<sup>st</sup>, we should get it. That is a critical hurdle is to make the application by March 1<sup>st</sup>.

Mr. Carlson: We have received hardship letter from them stating that we do qualify.

Chairman Chagnon: The designation has been made. Anything else?

*Unanimously Carried*

**Proposed Resolution – Authorize Amendments to FBO and Hangar Lease Agreement at the Chautauqua County/Jamestown Airport**

Mr. Abdella: This resolution which mirrors the public hearing resolution that you adopted last month authorizing review of this lease outlines changes to the proposed agreement with the FBO for the lease. I'm happy to answer any further questions there might be. Last month we went through in significant detail and this is the identical language that was reviewed.

Legislator Nazzaro: As I noted in Public Facilities, I won't go over the reasons again, I spare all of you that but I will again be voting no on this for the same reasons I gave when the public hearing was brought up. So, I'm still concerned about the reasons I gave so I will be voting no. Thank you.

Chairman Chagnon: Anything else?

*Failed – w/ Legislator Nazzaro voting “no” (3 members present)*

**Proposed Resolution – Close Accounts for Completed IT Capital Project as of 12/31/16**

Ms. Marsh: Like we said on the previous resolution, this is the one for the IT projects that they had identified that could be closed. I will send you that sheet that will have all projects on it with the costs through the end of the year. When we do the closing process we make sure that all the invoices are in so those numbers can change. Not significantly but minor adjustments but that will give you an idea of what should be going back into capital reserve.

Chairman Chagnon: Any questions or comments?

*Unanimously Carried*

**Proposed Resolution – Quit Claim Deeds**

Mr. Caflisch: There are two properties on the quit claim deeds before you. Both of those are vacant lots. They are being transferred to the Women’s Health Center in Jamestown. One was a demolition so that is why the taxes are higher on the one than the other.

Chairman Chagnon: Any questions or comments?

*Unanimously Carried*

**Proposed Resolution – 2016 Hazardous Materials Grant Program**

Mr. Leone: Actually this is the 3<sup>rd</sup> year that we have received this grant with the (*inaudible*) agency for Regional Partnership grant with Cattaraugus, Allegheny, and Seneca Nation of Indians. This year the grant is \$94,000 and the \$60,000 we’re going to spend now that will cover self-contained breathing apparatus that will be shared amongst our partners. There is no match to this, this is 100% funded.

Chairman Chagnon: Has that equipment been purchased?

Mr. Leone: Not yet.

Chairman Chagnon: So we’re adjusting the 2016 budget for purchase that hasn’t been made yet?

Mr. Leone: Until the money is in place, we couldn’t make the purchase.

Chairman Chagnon: So why wouldn’t this be an adjustment to the 2017 budget is the question, I guess?

Mr. Leone: It's a very good question. We received the grant, it's a two year grant so we have that period of time, so that is why we did the change to that year.

Ms. Crow: There is probably going to be an accrual for 2016 associated with that adjustment.

Chairman Chagnon: Would it have been cleaner to do it as a 2017 adjustment than you wouldn't have to accrue it?

Mr. Leone: Actually what happened was, this was submitted in November or December and it didn't –

Chairman Chagnon: I did see that.

Mr. Leone: Exactly. That is the reason why. It's cleaning that up.

Chairman Chagnon: I did see that, sorry. Any other questions or comments?

*Unanimously Carried*

### **Proposed Resolution – Close Capital Project H.3110.511**

Sheriff Gerace: In an attempt to work on closing capital projects accounts, we are asking that the money that was in that capital project account was put there with the sale of military surplus helicopter equipment which we are mandated to use for that purpose for maintaining the helicopter program. So we're asking that that money be moved from my capital account to a designated fund balance so it could be utilized for the purposes that it needs to be. We were carrying this for a long time in our capital account and I guess that is not the appropriate place for it.

Legislator Nazzaro: So it's a reserve for repair?

Sheriff Gerace: It has to be used for the helicopter program. Previous to 1995, military surplus equipment that was obtained through the program could be exchanged, sold, and we could retain that money but it had to be used for continuance of the program. After 1995, stuff that acquired has to be returned to the program.

Chairman Chagnon: That really was the nature of my question and apparently in 1991, we designated the balance of the proceeds for that purpose and apparently were never used?

Sheriff Gerace: Well, there has been use of it but what is left in the account needs to be put where we can keep it for that purpose and the capital project is not the appropriate place for it.

Chairman Chagnon: What struck me is, our intended purpose now in the RESOLVED is for repair and upkeep of County helicopters. Obviously we have repair and upkeep of County helicopters every year.

Sheriff Gerace: Correct, but this is for our police helicopter and not the Star Flight helicopters. Our military surplus helicopter.

Ms. Crow: In helping to draw up the language for the resolution I went back through the legislative history of the resolutions and used the same language which was to designate it for the repair and maintenance of the helicopter program. The Sheriff is right, we don't to just – it's one of those projects that has been open and ongoing and so the previous resolutions did identify or specified that it should be dedicated to the repair and maintenance of the helicopters and in talking it through with Todd, the most appropriate thing to do would be to make it designation of fund balance and then in a subsequent budget or resolution for capital project, we would use that designation to establish a new capital project when the time comes or against their operating budget for maintenance item.

Chairman Chagnon: That makes sense.

Legislator Nazzaro: So this is not at all related to Star Flight?

Sheriff Gerace: It is not.

Legislator Nazzaro: I guess to Pierre's point, you do have ongoing repairs to your helicopters now but you have been paying – just expensing? Not using these funds?

Sheriff Gerace: Right now that police helicopter is not operational. We're first on the list for another one, a replacement so we'll be using it for that going forward. I don't want to invest in that because we're first on the list from the State for the next helicopter.

Chairman Chagnon: Any other questions or comments?

*Unanimously Carried*

**Proposed Resolution – Reallocate Budget and Adjust Revenue and Appropriate Accounts to Consolidate Grant Awards into One Sub-Department**

Ms. Dennison: In our previous budgets up through and 2016, we have put our grant awards in the same department as Sheriff operations, that's A.3110. We are proposing for 2017 and forward that we take all of the grants and put them in their own sub-department just so we can more appropriately monitor the use of grant funds but also not have the budget comingle with operating funds. Most of our grants, we incur the expense and they we reapply for the reimbursement so there is not going to be expense if there is no matching revenue and so it's cleaner to have them all in one sub-department.

Chairman Chagnon: Any questions or comments?

Legislator Nazzaro: It's good what they are doing. Eventually if we could have the balances here.

Ms. Dennison: It does balance out to zero, those are equal and unfortunately we had this idea too late to actually do it for the 2017 budget when the budget was being prepared and that is why we're proposing it now as an amendment to the 2017 budget.

Chairman Chagnon: Conceptually I like the idea of separating grant funds from general operating funds. As you say, that gives you more focus and clarity to the grant funds which happen differently than the general operating funds. So, conceptually I like the idea. It just kind of caught me by surprise. I see it caught my esteemed colleague by less surprise too.

Legislator Nazzaro: I'm just trying to see if it has any effect on the 2017 budget.

Ms. Dennison: I should mention too that this resolution also includes – normally we recognize most of our grants by amendment to the budget so we have a few grants that are in the operating budget when it is created but most of the grants are done later by amendment. So this resolution moves items that were in the 2017 budget into the appropriate sub-department but it also adds in all the of the grant that we now know that we have received and will be using in 2017. So, it actually serves two purposes.

Legislator Nazzaro: That is a different process than what we have done in the past (*inaudible*) that way.

Ms. Dennison: Yes. In the past, we were proposing one grant, kind of one at a time and this time we attempted to, like I said, put all of them in now for what we anticipate for the whole year.

Legislator Nazzaro: Joe, you might have to be doing this when she leaves.

Chairman Chagnon: O.k., any further questions or comments?

*Unanimously Carried*

**Proposed Resolution – Adjust Appropriation and Revenue Accounts due to Unbudgeted Revenues and Expenditures**

Ms. Dennison: We were asked by the Budget office to kind of get a head start on recognizing some changes to the budget in 2016 so this resolution has a local share of zero and recognizes some revenue accounts where we are currently ahead of budget and also recognize some appropriations that are running over budget. So, we have made changes within the organization to balance those effects. As I said, it has a local share of zero but it also like to comment that this resolution is based on preliminary 2016 results. It include results through approximately December 21<sup>st</sup> with some extrapolations for payroll until the end of the year but there will be some additional changes when we finalize the 2016 results. So there may be a little

bit more movement, but this recognizes everything that we know of through the middle of December.

Sheriff Gerace: But it doesn't include the jail.

Ms. Dennison: With the exception of the jail.

Chairman Chagnon: Any questions, comments? I just have a question on the decrease and appropriation for 3110 contractual where the contractual for the Sheriff is going down by \$117,000. That is a 9.4% decrease in the budget and yet the 2017 budget is a \$138,000 increase from the 2016 budget. So, between those two that's a \$250,000 swing. Can you give us any insight into why the expenditures for contractual in 2016 lower and why we anticipate them being significantly higher next year?

Ms. Dennison: Mr. Nazzaro is correct that we are currently running over budget in the salary, in the point ones for the Sheriff's organization and so we're attempting to balance that at the time that we prepare the resolution. The contractual expenses are under budget. There may be some shift in that. We have until the end of the year. But we are running under budget in fuel expenses and that is always a category that we really project through 2017 so a lot of that savings now is in fuel and we are not confident that that will continue. The other major savings is in other contractors and there are some grant expenditures that are budgeted now that may not actually come to fruition in 2016. So that is another area where we are currently saving in the contractual area.

Legislator Nazzaro: I guess just as a follow up on the contractual side. I understand you are offsetting the increase in personnel expense but what contract is it related to? A broad category, I mean, a specific contract that we budgeted for and it didn't happen.

Ms. Dennison: We do have a couple grants – one of them pertains to a maintenance agreement for some of our software and we have that budgeted and the expense might not be incurred in 2016. So that would cause us to be under in the .4's. However that could obviously trigger a lack in revenue because it's an activity grant funded expenditure.

Legislator Nazzaro: I'm just wondering what affect it would have on say the 2017 budget if a contract didn't happen it's just postponing that expense to subsequent year and I just want to make sure we're the revenue with the expense related to those type of contracts that are timing issue.

Ms. Dennison: Correct and we're actually looking at that right now because as I say, we do have one or potentially two of these grants that we won't have the expenditure in 2016 so we'll be rolling it into 2017 and then we will make the corresponding adjustment in the revenues. Putting the revenue into the 2017 budget as well.

Legislator Nazzaro: I just want to see how this all plays out. This is a piece of it.

Ms. Dennison: Correct and it's definitely kind of a moving target at this point. There are still a lot of things that will change when we finalize the 2016 results.

Chairman Chagnon: As you had indicated lower fuel costs was a part of this as well. No one quite know what the fuel costs are going to be in 2017. Appreciate your perspective on that. Any other questions or comments?

*Unanimously Carried*

**Proposed Resolution – Amend Chautauqua County Department of Health & Human Services 2016 Budget for Increased Child Care (Foster/Institutional) Costs**

Ms. Lis: This one has to do with some of the institutions where the Foster children are located for housing them including Gateway, School for the Blind, Hillcrest and Hillside. There are also adoption subsidies included in this account. The reason this resolution is coming in so late in the year is that, I think with Hillcrest and Hillside, both hadn't invoiced us since June so we really kind of didn't know the trends until late in the year. How many children they had. So, we did find out that we had higher costs than expected. We are increasing our revenue by 38% Federal funding and 23% State funding that we get for these costs and the remainder to balance out this resolution is coming from our contractual accounts on the Social Services side because we don't know that we had a little more budgeted in there that we needed.

Chairman Chagnon: I just had a question on the funding. You say that it's an average of 38% Federal and 23% State but the 2016 budget has 31% Federal aid and 54% State aid.

Ms. Lis: I will have to look at that and see. It may be that we have more than one funding stream mixed in with that department or it could have to do with things like refunds and other things. This is a straight out expense where it may be more of a clear-cut. I'll have to look and I'll let you know.

Chairman Chagnon: Any other questions or comments?

*Unanimously Carried*

**Proposed Resolution – Amend Chautauqua County Health & Human Services 2016 Budget for Increased Handicapped Preschool Education Tuition Costs**

Ms. Lis: This is where we have been seeing this year that these expenditures have been increasing. We have many more children in the program. The costs are going up. We are having to send the children farther afield to more expensive places to be taken care of so it finally happens the invoices are coming through so we did have to increase the budget for that account. On that one, we are funded 59 ½% by the State so I've increased the revenue and again, taken the difference from our contractual on the Social Service side.

Chairman Chagnon: And 59 ½% is consistent with the budget. Any questions or comments?

*Unanimously Carried*

**Proposed Resolution – Amend Chautauqua County Health & Human Services 2016 Budget for Increased Handicapped Preschool Education Transportation Costs**

Ms. Lis: This one sort of goes hand in hand with the previous one because we are, like I said, taking these children farther afield to be taken care of. We did have an amendment for this earlier in the year but we've had a couple of new contracts go through so we didn't quite add enough. Here I am adding \$30,000 into that expense, picking up the 50 ½% revenue that goes with that and again, funding the difference with DSS contractual.

Chairman Chagnon: Questions?

Legislator Nazzaro: I guess this is just an observation and I know these things are really complicated because you have all kind of different matching and all of these different buckets I guess. The observation is, all three of these resolutions, it was taken out of the contractual of Social Services Administration which what I am hearing was over budget. I guess that goes back to when we have our budget hearings. That is why sometimes when we get down to that point, when we get stuck, we sometimes have to - we don't dive down into the details and say, o.k., we're going to take it out of a certain bucket to make the budget pass. I guess all three of these are coming out of the same bucket so it makes me wonder, what is the true number that we're actually over budgeted? I realize again, this is really complicated. I'm not being critical, I'm just making observations.

Ms. Lis: I am not sure in the end how much we're actual over budget because we haven't gone through our accruals yet. To be honest with you, a lot of our vendors are very slow in billing us. So, right now we're doing all that catchup and getting everything in as much as we can. What happened was, I believe, and I was there for part of the 2016 budget, not all of it, is that we would budget based on - if we had contracts with all four of you for \$100,000 apiece, we'd budget \$400,000. This year for 2017, we've budgeted saying, well normally we pay Pierre \$75,000, normally we'd pay you \$80,000 so we budget more in the lines of our trend of actual expenditures on those contracts. So we won't have for the total buffer for 2017 which makes me a little nervous but we try to be a little more -

Legislator Nazzaro: And that is a good point so we won't have that.

Ms. Lis: I think that we have all come to understand and as we explained during the budget process that these costs were going up and we did budget more in these areas because we knew about it and we're going to have to go back and fix the 2016 budget to reflect those increases as well.

Chairman Chagnon: I appreciate the answer and I would just echo essentially by reminding us that the 2017 budget is, in my opinion, improved budget because it more accurately reflects where the expenditures are really going to be coming from. Some accounts were increased, other accounts were decreased so I think the 2017 budget was an improved budget over what we have seen over the past. Thank you to you. Any other questions or comments?

*Unanimously Carried*

**Proposed Resolution – Authorize Extension of Lease Agreement for Department of Planning & Economic Development at the BWB Center**

Mr. Aldrich: For those of you who have not met me yet, I'm Nate Aldrich filling in for Don McCord today. This resolution is an extension of our current lease agreements to the IDA. That the BWB Center down in Jamestown. It's consistent with 2017 budget and has been consistent with previous resolutions, terms and amounts.

Chairman Chagnon: You got the budget in there, that's good. Any questions or comments?

*Unanimously Carried*

**Proposed Resolution – Authorize Agreement with Small Business Development Center at Jamestown Community College**

Mr. Aldrich: This resolution is also consistent with the 2017 budget. Provides over \$34,000 to SBDC at JCC for technical assistance to startup businesses. Same amount. Hasn't changed. We do get quarterly reports from SBDC.

Chairman Chagnon: Any questions or comments?

*Unanimously Carried*

**Proposed Resolution – Authorize Agreement with the County of Chautauqua Industrial Development Agency for Industrial Development and Promotion**

Mr. Aldrich: Again, this is consistent with the 2017 budget. Goes to fund the IDA retention, job creation, and growth initiatives. Funds things such as Craft Beverage manufacturing, workforce development summits that have taken place to name a few and other initiatives as well, the IDA.

Chairman Chagnon: Any questions or comments?

*Unanimously Carried*

**Proposed Resolution – Authorize Agreement with the County of Chautauqua Industrial Development Agency for the Business Assistance Program**

Mr. Aldrich: This resolution funds the Business Permit Center at JCC through SBDC but different than the previous resolution. It also funds retention and expansion efforts in the IDA's property listing service, (*inaudible*) business assistance efforts with the IDA.

Chairman Chagnon: Any questions or comments?

*Unanimously Carried*

**Proposed Resolution – Authorize Agreement with County of Chautauqua Industrial Development Agency for Attraction and Development of Tourism Related Business**

Mr. Aldrich: This resolution focuses on specifically the tourism industry and increased efforts to grow tourism in marketing related businesses. The amount \$50,000 is the same as last year and consistent with 2017 budget. This goes to fund events such as the Grand Fondo, PGA tournament, LeCom Health Challenge, several events and also focuses on attracting tourism related hospitality and hotel related business to the County.

Legislator Nazzaro: You are saying all the right buzz words. Consistent with the 2017 budget, do not go up from last year, to promote tourism and economic development.

Chairman Chagnon: He does a good job.

Legislator Nazzaro: Yeah.

Chairman Chagnon: We gave him a little prompting last night I'm mentioning the 2017 budget and he picked right up on it and came in this morning and he had all the right words. Any questions or comments?

*Unanimously Carried*

**Proposed Resolution – Close Accounts for Completed Planning and Development Capital Projects as of 12/31/16**

Ms. Marsh: These were older ones. Again, these were the projects identified with Planning Development that could be closed out. There are a couple of other ones that, although can't be closed. We have authority to capitalize the assets so that should help with the CIP for the end of the year. Again, I will get you the sheet that has all of the departments on it.

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

*Unanimously Carried*

**Discussion – State Comptroller's Report**

County Executive Horrigan: We have the County Attorney and the Finance Director with me of course. I read the following statement at Administrative Services so I want to read it into the record here as well. As you all know the State Comptroller looked at our investments, pay, and benefits, made a report, we have responded to that report with our comments. It has been released and we now have 90 days to respond with a corrective action plan. Our intention for that plan is to work with a couple of representatives from Audit & Control Committee and look at their recommendations and make sure that we present to you at the March Audit & Control meeting our recommendation for that corrective action plan which ultimately is your decision

that would go to the Legislature. But, we have responded and I would like to read into the record the following comments on that Comptroller's report.

We certainly appreciate the hard work of the State Comptroller's analyzing our procedures and offering suggestions to improve operations. While the OSC Report contains many items worthy of further discussion, it should be noted that myself, as County Executive, the Director of Finance, and the County Attorney are not in agreement with some of the conclusions contained in the report. First investments.

### **Investments**

I am confident that the County's investments have been well managed by the Director of Finance in consultation with the County Legislature, this committee, Audit and Control and have attained beneficial results for the County and its taxpayers. The Comptroller Report does not fully take into consideration the impact of the County's actual interest earnings from its investment portfolio, and does not recognize that over half of the County's investments are held for long-term purposes not requiring high liquidity. Although a few of the County's investments in New York local government and New York local development corporation bonds were not specifically authorized by the State Comptroller, the investments in question produced a net gain for the County and this issue was previously identified by the Director of Finance and has been corrected. Most importantly, it is with very careful deliberation that the Director of Finance has prudently balanced our need for beneficial investment returns while maintaining safety and liquidity. Subject to the County Legislature's direction, I will not be recommending any changes to our general investment approach. On the subject of salaries.

### **Salaries and Fringe Benefit Payments**

Regarding our annual salary and fringe benefit payments, the County's conversion of designated annual management salary amounts to a bi-weekly rate has been the practice of County government dating back as the 1970s. As far back as records could be checked. While such a consistent past practice for many decades is a strong indicator of legislative and administrative intent it cannot be deemed as a "mistake," a search of the County's local laws and resolutions over the past years however, do not show specific legislative ratification of the bi-weekly conversion procedure. As a result, I did implement an adjustment to the 2016 payroll amounts for County managers and elected officials to address the report findings of the Comptroller and we will continue to make such adjustments unless the County Legislature specifically ratifies a bi-weekly conversion procedure. Regarding benefits.

Local Law 1-83, as amended in 1990, provided "vacation buy-back" benefits for County managers and full-time elected officials. While the State Comptroller's Report indicates that such benefits cannot be afforded to full-time elected officials, it has been the consistent opinion of our County Attorney since 1996 that full-time elected officials may utilize vacation buy-back benefits as long as they document their time, as is the procedure used for New York State Retirement System benefits. The Comptroller Report attempts to distinguish the legal status of vacation buy-back benefits from New York State Retirement System benefits, but the County Attorney's position remains unchanged. Should the County Legislature choose to modify Local Law 1-83, unless they do that the County will continue to implement the vacation buy-back as written in 1-83. That is something that we will discuss with our corrective action plan. I note

that many elected officials and citizens of Chautauqua County have expressed concern over the years as to whether the salary and benefit package afforded the County's elected officials is sufficient to attract quality candidates. Through Local Law 1-83, the County Legislature moved to address this concern by giving full-time elected officials the same benefits package afforded all County managers.

So that is the response that we sent back. I read that into the record. As I said moving forward, we will at the leadership of our County Attorney, becoming together with this small work group to formulate a corrective action plan which will present to you for the March meeting. I will leave it at that and say we stand by to answer any questions that you have at this point.

Chairman Chagnon: Any questions or comments?

Legislator Nazzaro: Well, I want to make sure that we understand our roll in this which several times the County Executive mentioned the County Legislature in past actions by previous Legislatures. So, I will be more than willing to assist in any way to make sure we're all complying and what you read into the record I think is very well said. I want to make sure it's true that we're understanding our role in making sure that if there are things that we need to do, to comply that we follow that.

Chairman Chagnon: That is a very good point Chuck because the corrective action plan is the responsibility of the Legislature. So we should have a hand in crafting that. I appreciate your willingness to assist with that. I'm sure that the Chairman of the Legislature will, in due time, appoint representatives from Audit & Control to assist with the County Executive and the County Attorney in crafting that corrective action plan.

Legislator Nazzaro: The point is, we're all in this together. I mean there is responsibility on everyone's side, I just want to make sure we're doing our due diligence and doing what is right.

Chairman Chagnon: The question that I had was one of timing. I believe the State Comptroller's letter was dated December 23<sup>rd</sup>. Since the corrective action plan, I assume, will have to be adopted by the Legislature, I believe 90 days will expire before the March Legislature meeting.

Mr. Abdella: I can look at that but I think the 90 days, notwithstanding loose language in some of those – I think by statute it's 90 days after it's presented to the Legislature at its first meeting after its receipt. So, March will be fine.

Chairman Chagnon: Just wanted to be sure.

County Executive Horrigan: One more comment. I would just like to say with the change in the Charter looking at internal audits which is now the function of the Legislature committee, with our change in financial leadership, with Sue departing and with new leadership team in there, and with some experience we've had, I'll be coming to the Audit & Control committee next month with a recommendation of a risk assessment. We're looking at that carefully. We've

looked at whether we can do that internally/externally but we'll be presenting to the Audit & Control Committee for your consideration next month a risk assessment plan that just gives us a general feel for how we're doing out there in all of our risks. Not related to this but I just wanted to give you a heads up on that.

Chairman Chagnon: Any further discussion on the State Comptroller's report? Again, I would echo my esteemed colleague's comments that I appreciate the leadership that the three of you have provided to this report and the processing of it. I would note for the committee that when the State Comptroller came to review their report, I was invited by the County Executive to join the meeting. When I walked in the meeting room, the representatives from the State Comptroller said that they would not conduct the meeting if I was present because the meeting was strictly for the Executive staff and any Legislative representatives were not permitted to be in present. I took a little umbrage to that but I left.

Legislator Nazzaro: And what was their reason for that?

Chairman Chagnon: Their position is, I guess, is that they at that stage did not have a final report to present to the Legislature and so they didn't want to, I guess, preview it with any representatives of the Legislature.

County Executive Horrigan: And I think their attorneys', some legal opinions gets into the governing body versus the Executive

Chairman Chagnon: So I truly appreciate the work that you did to carry that forward.

County Executive Horrigan: I just want to say Mr. Chairman with the pending departure of Sue Marsh, which I will have more to say about it at the Legislature meeting, her professional financial management that we have enjoyed over the past 5 years or so, has put us in such a great position and the benefit of the taxpayers, everything from going through the County Home, to moving through our five year financial plan, to five budgets, to all of this stuff, Sue is a true professional and the taxpayers and we owe her a debt of gratitude and I'll have more to say at the Legislature meeting.

Chairman Chagnon: Thank you. O.k., that moves us to our last discussion.

### **Discussion – Amend Rules and Regulations – Verbatim Minutes**

Chairman Chagnon: This is the proposed resolution. I would like to inform the Committee of some information that Mrs. Tampio presented with me this morning. Please be advised that the following actions were taken by committees regarding the proposed resolution to amend rules and regulations of the Chautauqua County Legislature. On the 18<sup>th</sup>, the Public Safety Committee moved to and unanimously approved that the recommendations to the Audit & Control Committee that the rules and regulations not be amended as listed in the proposed resolution. On the same day, the Human Services Committee also move and unanimously approved the same recommendation that the rules and regulations not be amended as listed in the proposed resolution.

Legislator Nazzaro: They want to keep it the same.

Chairman Chagnon: They want to keep it the same. Those two committee voted unanimously to keep the rules and regulations the same which would continue to require verbatim minutes of all committee meetings.

Legislator Nazzaro: In Public Facilities we did not take any action. We talked about it. The only question I have and I direct to our County Attorney, but obviously now in light of this - I mean, I was in favor of not doing verbatim minutes and my understanding that they would be recorded and available. My only question to the County Attorney was, how would we access the recording and would that be accessible on a web site where anyone could access or would there be a process where the public, if they wanted to, would have to FOIL a request because right now my understanding is the verbatim minutes, they are put out there on the website and you can download them. So that was my only question, did we want the recordings – how would you access them and who would be able to access them.

Mr. Abdella: I'll just state, I was able to look into that as far as legal requirements. It would not be legally required that those recordings be put up on the website. That being said, they are fully subject to Freedom of Information law. As a practical matter, it's my understanding that probably they could be put up on the website. The digital file would be something that could be put up as a link. As far as if it was chosen not to put up on the website, I will say that typically certain – we have a significant FOIL procedures but for what in the past had been legislative records, if a member of the public calls up and says, I'd like a copy of a resolution to don't make them make that necessarily as a formal FOIL request. We'll just send it to them and I'd guess the same would be the case with that audio file.

Legislator Nazzaro: Again, my intent there was not to make it difficult for either the public or the press or anyone to get. He records them anyway. We certainly don't want to make it difficult for anyone to get one. That is not the intent. The intent was I thought Mr. Chairman maybe I didn't recall correctly that there was discussion, I thought here, when IT came in, do we want those all out there where in today's world people can grab those things, they can edit them, they can play the beginning and cut out the middle and I don't want misinformation out there. That was the only thing. I thought that we had that concern.

Chairman Chagnon: We did.

Legislator Nazzaro: So I did recall correctly. That is all that I have to say about it.

Chairman Chagnon: Mr. Chairman, would you like to join us up here for this discussion such I'm anticipating directing a couple of questions to you. County Executive had a question or comment?

County Executive Horrigan: Just a comment Mr. Chairman. From our standpoint in our office, we get numerous questions about legislative activity when you all are not there, they come to us. Not that we refer everything but when we get questions, Carm and Amanda often go back and review those minutes and there is just a concern that it is going to be very difficult to

quickly get efficiently access to answer the question. Will it require a FOIL and using audio stuff. They are used quite a bit, the minutes, to answer questions from the public that come to our office.

Chairman Chagnon: The type of questions that are being asked are what was discussed about the resolution?

County Executive Horrigan: I don't have the details on exactly what it was but, it's safe to say that Carm is using those and they are using those minutes to answer the questions. I didn't get into the specific detail.

Mr. Abdella: I would guess in part it's the debate but it's also department heads and officials have presented to you why a resolution is being requested and so they can go and look without trying to track down that department head and see what was presented as to why the legislation was needed.

Chairman Chagnon: So Mr. Chairman, we are at the point now where I believe, I'll try and frame this, the Audit & Control Committee has made a recommendation and the County Attorney and the Legislative Clerk have drafted a proposed resolution which has been circulated to committees for discussion and two of the committees have unanimously rejected the proposed resolution and I'm save to say that a few other Legislators who didn't vote that are similarly opposed to the proposed resolution so, how do we go forward from here? And I will (*inaudible*) that by saying that this committee could possibly entertain a modification to the resolution.

Chairman Himelein: It would take our rules and regulations that would have to be modified as to how we would and help me Steve if I'm incorrect but we would have to change that so that we could do this because it's written in what, 1-03, as far as the rules and regulations.

Mr. Abdella: Right now the rules do require verbatim minutes so it would take an amendment to change that status quo.

Legislator Nazzaro: Is that a simple majority vote?

Mr. Abdella: Yes.

Chairman Chagnon: I guess the first question is, should the Audit & Control Committee prefile this resolution as it is and let it be debated and acted upon by the Legislature or should we consider the possible amendment or alteration to the proposal?

Legislator Nazzaro: My opinion is, it seems that there is a lack of enough support to pass it so if two committee have unanimously and how many would that represent, what?

Chairman Himelein: I don't know how many were present.

Legislator Nazzaro: I'm just thinking instead of bringing something to the floor to debate it, should it go back through committee again for amendments or do we scrap it?

Chairman Himelein: I honestly looked at, is there a urgent need to make a change at this time or can it be done in two months or three months, I guess it the question also.

Chairman Chagnon: To my knowledge, there is no urgent need and Mrs. Tampio, would you agree with that?

Clerk Tampio: Yes.

Chairman Chagnon: SO there is no urgent need. But the thought that I did have is, as opposed to scrapping it, there had been some discussion about the great burden of transcribing the budget hearings so a possible alteration would be to amend the rules and regulations to no longer require verbatim transcription of the budget hearings. Since probably the volume of those is equal or close to the volume of all the committee meetings for the rest of the year.

Legislator Nazzaro: I'm not sure about that one. Normally I like to sagree with you but I think there is a lot of important information said during those budget meetings, I really do. I'm just trying to think of an easy way. I don't mind recording them and not transcribing them but I'm trying to think of the easy way when you want to find a certain point that was made by somebody who's presenting their budget to a committee but the point is – another point is not to do that and I know this is at no one's fault we didn't get the minutes of the Audit & Control until very late so by the time we got those it was a moot point.

Chairman Chagnon: The budget was adopted.

Legislator Nazzaro: So I could see that either way. But I agree that there is not an urgency to do this. We've already looked at the recordings, how we can automatically done and to me all the options that were presented by our IT, I mean, they did their homework and I certainly appreciate it but the quality of the products make it very difficult and there is still a lot of manual intervention. You can't always identify who's speaking, parts are missing.

Chairman Himelein: I see no urgency. I would urge everybody to think about it because I know that there is another option out there that was presented and that was have the budget transcribed by an outside firm. So, that's an option out there too. That is why I am saying, everybody think about it in their own minds, maybe get together and talk about it, try to convince one person or the other that this way is better than the other way and we'll come back and say April and talk about it again and make a decision whether we change it or don't change it or make some other modification.

Chairman Chagnon: Thank you for that. That was the type of leadership and direction I was hoping that you could provide to the committee. How about that for the first month on the job? O.k., committee comfortable with that?

Legislator Nazzaro: I am.

Chairman Chagnon: Any further discussion on the subject? Hearing none, that brings us to other.

**Other**

Chairman Chagnon: Is there any other, other for the committee? Hearing none, I will entertain a motion to adjourn.

Legislator Nazzaro: I'll make that motion.

Legislator Muldowney: Second.

*Unanimously Carried (9:45 a.m.)*

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