

WARREN COUNTY BOARD OF SUPERVISORS

COMMITTEE: **FINANCE**

DATE: **May 11, 2011**

Committee Members Present:

Supervisors Thomas
 Taylor
 Goodspeed
 Belden
 Monroe
 VanNess
 Kenny
 Merlino
 Conover

Others Present:

Daniel G. Stec, Chairman of the Board
Paul Dusek, County Attorney/Administrator
Joan Sady, Clerk of the Board
Kevin Geraghty, Budget Officer
Supervisors Bentley
 Champagne
 Loeb
 McCoy
 Sokol
 Strainer
 Wood
Kate Johnson, Director of Tourism
Bud York, County Sheriff
Rob Lynch, Deputy Treasurer
Kristen Shaw, Junior Accountant
Julie Pacyna, Purchasing Agent
Robert Morris, Warren/Washington Counties IDA
Kara Lais, Warren/Washington Counties IDA
Nicholas Caimano, Chairman, Warren/Washington
 Counties IDA
Charlene DiResta, Sr. Legislative Office Specialist

Mr. Thomas called the meeting of the Finance Committee to order at 10:27 a.m.

Motion was made by Mr. Taylor, seconded by Mr. Belden and carried unanimously to approve the minutes of the April 6, 2011 Committee meeting, subject to correction by the Clerk of the Board.

Copies of the Finance Agenda were provided to the Committee members, and a copy of same is on file with the minutes.

Commencing the Action Agenda review, Mr. Thomas stated Item 1 were the requests for Transfer of Funds which were attached for Committee approval. He noted that Supervisory Committee approval had been obtained as necessary. Mr. Belden asked if the funds were available in the respective departmental budgets and Mr. Thomas replied affirmatively.

Motion was made by Mr. Belden, seconded by Mr. Conover and carried unanimously to approve Item 1 as outlined above. The necessary resolution was authorized for the next board meeting.

Mr. Thomas stated that Item 2A was a request to establish Capital Project No. H323.9550 280 - Gaslight Festival Space in the amount of \$15,000 with the source of funding to be Occupancy Tax Reserve.

Motion was made by Mr. Monroe and seconded by Mr. Kenny to approve Item 2A as outlined above.

Rob Lynch, Deputy Treasurer, cautioned the Committee members that there were three requests on the agenda to appropriate funds from the Occupancy Tax Reserve that totaled \$128,170 in addition to the \$91,600 which had already been appropriated in 2011, bringing the total of 2011 appropriations of Occupancy Tax Reserve to \$219,770. He added the balance of the Occupancy Tax Reserve Fund after this Committee meeting would be \$449,460 assuming all of the requests were approved. He noted the current occupancy tax collections had decreased by 9% compared to 2010 and if the appropriations continued the Occupancy Tax Reserve Fund would be diminished. Mr. Monroe opined the creation of the Festival Space on the former Gaslight Village property was an important project which would increase both sales and occupancy tax collections in the future. He said it was a good use of the funds and there was a substantial Reserve Fund.

Mr. Thomas called the question and the motion was carried unanimously to approve Item 2A as outlined above. The necessary resolution was authorized for the next board meeting.

Mr. Thomas said Item 2B was a request to amend the 2011 County Budget to increase estimated revenues and appropriations in the amount of \$5,000 for grading and gravel placement on the Gaslight Village property.

Motion was made by Mr. Taylor and seconded by Mr. VanNess to approve Item 2B as outlined above.

Mr. Kenny noted it was important to keep in mind that Americade was a potential renter of the Festival Space for June 2011 and they were the largest convention in Warren County.

Mr. Thomas called the question and the motion was carried unanimously to approve Item 2B as outlined above. The necessary resolution was authorized for the next board meeting.

Item 3 was a referral from the Health Services Committee, Mr. Thomas pointed out, requesting to amend the 2011 County budget to increase estimated revenues and appropriations in the amount of \$13,528 to reflect receipt of Office of Homeland Security grant funding.

Motion was made by Mr. Belden, seconded by Mr. Monroe and carried unanimously to approve Item 3 as outlined above. The necessary resolution was authorized for the next board meeting.

Mr. Thomas commented that Item 4 was a referral from the Human Services Committee requesting to amend the 2011 County budget to increase estimated revenues and appropriations in the amount of \$20,397 to reflect receipt of Federal reimbursement for training for dislocated workers.

Motion was made by Mr. VanNess, seconded by Mr. Conover and carried unanimously to approve Item 4 as outlined above. The necessary resolution was authorized for the next board meeting.

Mr. Thomas apprised Item 5 was a referral from the Occupancy Tax Coordination Committee to appropriate fund balance designated for occupancy tax reserve to fund Tourism-Promotion (Code A.6417 481) in the amount of \$30,000 to provide funding to assist the Lake George Asian Clam Rapid Response Task Force.

Paul Dusek, County Attorney/Administrator, pointed out that Resolution No. 230 of 2011, approved at the April 15, 2011 Board meeting, contained a contingency for the contribution to the Lake George Asian Clam Rapid Response Task Force. He noted the resolution stated that Warren County would contribute \$30,000 towards the Eradication Plan contingent on contributions from other counties and municipalities that benefitted or had an interest in Lake George. He advised that Resolution No. 230 of 2011 would need to be amended in order to approve Item 5 on the agenda. Mr. Kenny opined that Resolution No. 230 of 2011 had included the contingency in order to get the attention of the counties and municipalities in question. He advised that the Committee had agreed that the County would contribute the funds regardless of the decisions made by the other municipalities.

Motion was made by Mr. Monroe, seconded by Mr. Belden and carried unanimously to amend Resolution No. 230 of 2011 as outlined above. The necessary resolution was authorized for the next board meeting.

Motion was made by Mr. Conover, seconded by Mr. Kenny and carried unanimously to approve Item 5 as outlined above. The necessary resolution was authorized for the next board meeting.

Mr. Goodspeed entered the meeting at 10:34 a.m.

Mr. Thomas reported that Items 6A, 6B and 6C were referrals from the Public Safety Committee and Item 6A, on behalf of Sheriff & Communications, was a request to

amend the 2011 County budget to increase estimated revenues and appropriations in the amount of \$2,499 to reflect monies received from 3C Race Productions to cover the cost of police coverage for a racing event held in Lake George.

Motion was made by Mr. Taylor, seconded by Mr. VanNess and carried unanimously to approve Item 6A as outlined above. The necessary resolution was authorized for the next board meeting.

Continuing, Mr. Thomas said Item 6B was on behalf of the Office of Emergency Services requesting to amend the 2011 County budget to increase estimated revenues and appropriations in the amount of \$6,035 to reflect receipt of Local Emergency Planning Committees (LEPC) grant funds.

Motion was made by Mr. VanNess, seconded by Mr. Belden and carried unanimously to approve Item 6B as outlined above. The necessary resolution was authorized for the next board meeting.

Mr. Thomas stated Item 6C was a request to amend the 2011 County budget to increase estimated revenues and appropriations in the amount of \$131,972 to reflect receipt of Homeland Security grant funds.

Motion was made by Mr. Conover, seconded by Mr. VanNess and carried unanimously to approve Item 6C as outlined above. The necessary resolution was authorized for the next board meeting.

Mr. Thomas advised Items 7A through 7D were referrals from the Public Works Committee and Item 7A was on behalf of the Airport requesting to amend the 2011 County budget to increase estimated revenues and appropriations in the amount of \$15,000 to accept occupancy tax funding for overtime during the Adirondack Balloon Festival.

Motion was made by Mr. Taylor and seconded by Mr. Belden to approve Item 7A as outlined above. The necessary resolution was authorized for the next board meeting.

Mr. Monroe said his understanding was that the intention was to utilize parking revenues from the former Gaslight Village property to cover this expenses. Mr. Kenny responded that the total amount of overtime expense was \$21,000 of which \$15,000 was to be covered using occupancy tax funding. Mr. Lynch noted that the Account Code listed on the resolution request form was incorrect and Joan Sady, Clerk of the Board, responded it was a typo which would be corrected on the resolution.

Mr. Thomas called the question and the motion was carried unanimously to approve Item 7A as outlined above. The necessary resolution was authorized for the next board meeting.

Item 7B was on behalf of the DPW, Mr. Thomas continued, requesting to amend the 2011 County budget to increase estimated revenues and appropriations in the amount of \$15,000 to fund the part-time Sewer Administrator position for the remainder of 2011, to be reimbursed by the United States Environmental Protection Agency through the Lake George Basin Sewer Capital Project.

Motion was made by Mr. Belden and seconded by Mr. VanNess to approve Item 7B as outlined above.

Mr. Kenny asked when the project would be completed and Mr. Conover responded it should be completed by the end of 2011. Mr. Geraghty stated that originally it had been estimated that the project would be completed by December 2010 and it was requested to extend the project until March of 2011. He opined that even though the money in question was grant funding it was important to note that it was still taxpayer money. Discussion ensued.

Mr. Thomas called the question and the motion was carried unanimously to approve Item 7B as outlined above. The necessary resolution was authorized for the next board meeting.

Mr. Thomas said Item 7C was also on behalf of the DPW requesting to increase Capital Project No. H272.9550 280 - Harrington Road over Mill Creek Bridge Replacement in the amount of \$1,595,613 for additional preliminary engineering, construction and construction inspection costs. He added the source of funding was 80% Federal Share (\$1,276,490.40); 15% State Marchiselli Share (\$239,341.95) and 5% Local Share (\$79,780.65). He noted that \$20,000 of Local Share had already been appropriated and the remaining \$59,780.65 would be provided through the issuance of serial bonds authorized by Resolution No. 184 of 2011.

Motion was made by Mr. Belden, seconded by Mr. Goodspeed and carried unanimously to approve Item 7C as outlined above. The necessary resolution was authorized for the next board meeting.

Mr. Thomas apprised Item 7D was on behalf of the Parks, Recreation & Railroad Department requesting to amend the 2011 County budget to increase estimated revenues and appropriations in the amount of \$3,500 to reflect receipt of occupancy tax funding to support Up Yonda Farm Programs.

Motion was made by Mr. Conover, seconded by Mr. Merlino and carried unanimously to approve Item 7D as outlined above. The necessary resolution was authorized for the next board meeting.

Mr. Thomas expounded that Items 8A and 8B were referrals from the Tourism Committee and noted Item 8A was a request to amend the 2011 County budget to increase estimated revenues and appropriations in the amount of \$79,912 to reflect receipt of Matching Funds from New York State.

Motion was made by Mr. Monroe, seconded by Mr. VanNess and carried unanimously to approve Item 8A as outlined above. The necessary resolution was authorized for the next board meeting.

Item 8B, Mr. Thomas continued, was a request to appropriate fund balance designated for occupancy tax reserve to fund Tourism-Other Payments/Contributions (Code A.6417 469) in the amount of \$83,170 to cover the final distribution of funds to the eleven towns, the Village of Lake George and the City of Glens Falls.

Motion was made by Mr. Kenny, seconded by Mr. Monroe and carried unanimously to approve Item 8B as outlined above. The necessary resolution was authorized for the next board meeting.

Mr. Thomas reported that Item 9 was a request from Julie Pacyna, Purchasing Agent, requesting to address the Committee with regard to transferring furniture to the towns as a result of the demolition of the former Social Services Building. Ms. Pacyna presented two resolution request forms for authorization to transfer County property to the Towns of Johnsbury and Lake Luzerne. She said the Town of Johnsbury would receive four filing cabinets and there was a list of items which would be transferred to the Town of Lake Luzerne.

Motion was made by Mr. VanNess, seconded by Mr. Belden and carried unanimously to approve the two requests for transfer of County property as outlined above. The necessary resolutions were authorized for the next board meeting.

Mr. Thomas expounded that Item 10 was a request from Washington County for a resolution calling for immediate payment of Intergovernmental Transfer (IGT) payments. He noted a sample resolution from Washington County was attached to the agenda. He explained IGT payments were for Westmount Health Facility and the State had not made a payment for 2010 yet. Mr. Monroe asked the amount of the payment and Mr. Dusek replied it was \$1.8 million for 2010. Mr. Belden asked if this was funding from the State and Mr. Dusek responded it was actually Federal funds which were issued to the State and then released to the Counties. Mr. Belden asked if the State

had received the funding from the Federal Government and Mr. Dusek replied he did not know. Mr. Monroe asked when the IGT payments were typically received and Mr. Sokol responded March or April.

Motion was made by Mr. Belden, seconded by Mr. VanNess and carried unanimously to authorize a resolution calling for immediate payment of Intergovernmental Transfer (IGT) payments from the State. The necessary resolution was authorized for the next board meeting.

Mr. Thomas stated Finance Committee action was required on the following items as approved by the Personnel Committee: Item Nos. 1, 2A, 2B, 3, 5C and 5D.

Motion was made by Mr. Taylor, seconded by Mr. Kenny and carried unanimously to approve Item Nos. 1, 2A, 2B, 3, 5C and 5D as outlined above.

Mr. Thomas announced that Mr. Dusek had requested to address the Committee on several items, the first of which was a request from the IDA (Industrial Development Agency) to establish an CDC (Civic Development Corporation) for the purpose of selling bonds. Robert Morris, Attorney for the IDA, introduced Kara Lais, who also acted as Attorney for the IDA and Nicholas Caimano, Chairman of the IDA. Mr. Morris expounded that in January of 2008 the agencies ability to issue Civil Facility Bonds had expired and he noted Civil Facilities included hospitals, libraries, museums and community colleges. He explained that Civil Facility Bonds were tax exempt and low interest. Mr. Morris stated the IDA had received an inquiry from SUNY (State University of New York) Adirondack pertaining to a bond to allow the construction of student housing. In other counties, he continued, the Board of Supervisors had authorized the IDA to form a LDC (Local Development Corporation), which in this case would be a CDC (Civic Development Corporation). He explained that the members of the CDC would be Warren and Washington Counties and the Board would be made up of members who served on the IDA. Forming a CDC, Mr. Morris continued, would allow the IDA to entertain requests for Civil Facility Bonds; however, he added, in order for the bonds to be tax exempt the IDA required the Board of Supervisors authorization to form the CDC. He noted they were scheduled to meet with the Washington County Finance Committee to request their authorization, as well.

Following a brief discussion, motion was made by Mr. Goodspeed, seconded by Mr. Monroe and carried unanimously to authorize the Industrial Development Corporation to establish a Civic Development Corporation in order to allow for the issuance of Civil Facility Bonds. The necessary resolution was authorized for the next board meeting.

Mr. Thomas said the next item was a request to renew the agreement with Hess Corporation for natural gas through the Municipal Electric & Gas Alliance (MEGA) Program and he noted the current agreement expired on September 30, 2011. Mr. Dusek explained that he had not been the Administrator during the original contract and therefore had not reviewed the details of the pricing structure. He said although the contract did not expire until September 30, 2011, he recommended renewing the contract as soon as possible. He stated that renewing now would allow the County to lock in specific pricing for natural gas and delivery costs. He apprised that both the natural gas and delivery costs were based on market pricing which was currently at an all time low.

Mr. Dusek advised the agreement allowed the County to choose the type of pricing as either conservative, moderate or aggressive. He said the approach which was chosen determined the gas prices which were locked in for the contract. He expounded that selecting the conservative or moderate approach would lock in pricing immediately for a two year period and selecting the aggressive approach would only lock in pricing for the first year and 75% of the needs would be determined in the second year. Mr. Dusek stated that when you locked in on pricing it included a rate structure which made gas a little more expensive each month. He expounded there was a chart and each month the cost of natural gas would increase slightly for the remainder of the contract. He added the conservative approach would lock in on the pricing for two years and the aggressive would only lock in on a portion of the chart in the hopes that the remainder of the chart would readjust based on the market price at the time.

Mr. Dusek ascertained that he had reviewed the agreement fully and recommended the County lock in on the pricing fully by choosing the conservative approach. He stated he had looked into other companies price quotes and had determined they were all higher. He noted that he was unsure why but the Westmount Health Facility was not included in the contract with the Hess Corporation. Mr. Belden opined all of the County Departments should be included in the contract. Mr. Taylor asked the term of the contract and Mr. Dusek responded October 1, 2011 through September 30, 2013. Mr. Belden asked the current price of natural gas and Mr. Dusek replied \$4.20 per decatherm plus a delivery charge of \$1.46.

Following a brief discussion, motion was made by Mr. Goodspeed, seconded by Mr. Monroe and carried unanimously to renew the agreement with Hess Corporation for natural gas through the Municipal Electric & Gas Alliance (MEGA) Program for a term commencing October 1, 2011 and terminating September 30, 2013, selecting the conservative approach pricing structure.

Mr. Thomas stated the next item was to receive clarification on the Mailings Made Easy contract. Mr. Dusek explained that the County had contracted with Mailings Made Easy in 2010 and there had been no issues until the United States Postal Service (USPS)

increased their rates which created a glitch in the contract. He said the pricing of Mailings Made Easy was proportionate to the amount charged by the USPS. He expounded the bid from Mailings Made Easy had reflected that the percentage of postal savings would be 40%; however, he added, the other part of the contract referred to a range of pricing per piece which represented 60% of the postage savings. He advised that the County should continue to use the services of Mailings Made Easy; however, he recommended a resolution or amendment to the contract to ensure it was clear that the pricing was a percentage charge and not a per piece rate.

Motion was made by Mr. Belden, seconded by Mr. Conover and carried by majority vote with Mr. VanNess abstaining to authorize a resolution and/or amendment to the contract with Mailings Made Easy to clarify the pricing as a percentage discount as opposed to a per piece rate.

Mr. Thomas said the next item was not on the agenda and pertained to the Railroad Council. Mr. Dusek explained the County was in the final stages of executing the Railroad contract and he added the Intermunicipal Agreement with the Town of Corinth had been finalized and would be presented at the May 20, 2011 Board meeting. The final stages, he continued, required the approval of the Federal Government and the STB (Surface Transportation Board) which approved freight rights and dealt with common carrier responsibilities. He advised there had been discussions with CP Rail and the Attorney for Iowa Pacific Holdings, LLC and the Attorney for the Town of Corinth had requested the hiring of a specialist to review the contract and ensure nothing was missing with regard to the common carrier rules or STB filings. He explained the County's contribution to the hiring of the specialist would be between \$350 to \$2,000 and he was requesting the Committee's approval to expend the funds. He added if the Committee approved, he suggested the source of funding be the Contingent Fund. He noted he would need to receive authorization to expend the funds prior to the Board meeting in order to execute the contract in a timely manner.

Motion was made by Mr. Conover, seconded by Mr. Merlino and carried unanimously to ratify the actions of the County Attorney/Administrator in executing an agreement for legal services regarding freight rights, common carrier rules and STB filings in an amount not to exceed \$2,000 with funding from the Contingent Fund. The necessary resolution was authorized for the next board meeting.

Mr. Dusek said the Administrator for Schenectady County had contacted him regarding a multi-county grant application to NYSERDA (New York State Energy Research and Development Authority) which would be at no cost to the County. He explained that NYSERDA would grant approximately \$950,000 to the multi-counties who would re-grant back to NYSERDA \$868,000; however, he added, the counties would retain \$96,000 in funds. The funds, he continued, could be used by the counties for promotional programs on green energy. He listed the counties which would be included in the multi-county application, as follows: Schenectady, Albany, Saratoga, Rensselaer,

Washington, Warren, Greene and Columbia. He stated that if the Committee was interested in being included in the multi-county application, it would be necessary for him to let Schenectady County know by tomorrow due to an application deadline.

Motion was made by Mr. VanNess, seconded by Mr. Conover and carried unanimously to authorize Warren County's participation in a multi-county grant application to NYSERDA. The necessary resolution was authorized for the next board meeting.

Mr. Thomas pointed out there was a Finance Committee Agenda Addendum and Item 1 was a referral from the Public Safety Committee on behalf of Sheriff & Communications requesting approval for a contract with the NYS Department of Correctional Services for purchase of food items for a term commencing June 1, 2011 and terminating on May 31, 2016. Mr. VanNess noted the request had been overlooked at the Public Safety Committee meeting.

Motion was made by Mr. Belden, seconded by Mr. VanNess and carried unanimously to approve Addendum Item 1 as outlined above. The necessary resolution was authorized for the next board meeting.

Sheriff York requested acceptance of a \$1,000 donation from the Elks Club to be used towards the purchase of bracelets for Project Lifesaver.

Motion was made by Mr. VanNess, seconded by Mr. Belden and carried unanimously to accept the donation of \$1,000 from the Elks Club to be used towards the purchase of bracelets for Project Lifesaver. The necessary resolution was authorized for the next board meeting.

There being no further business to come before the Committee, on motion made by Mr. Belden and seconded by Mr. Goodspeed, Mr. Thomas adjourned the meeting at 11:15 a.m.

Respectfully submitted,
Charlene DiResta, Sr. Legislative Office Specialist