

WARREN COUNTY BOARD OF SUPERVISORS

COMMITTEE: FINANCE

DATE: MARCH 29, 2018

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COMMITTEE MEMBERS PRESENT:

SUPERVISORS SOKOL  
SIMPSON  
MERLINO  
DICKINSON  
STROUGH  
BEATY  
FRASIER  
MCDEVITT  
GERAGHTY  
BRAYMER  
HYDE

OTHERS PRESENT:

RONALD CONOVER, CHAIRMAN OF THE BOARD  
MARY ELIZABETH KISSANE, COUNTY ATTORNEY  
AMANDA ALLEN, CLERK OF THE BOARD  
FRANK THOMAS, BUDGET OFFICER  
SUPERVISORS DRISCOLL  
HOGAN  
LEGGETT  
LOEB  
MAGOWAN  
MIKE SWAN, COUNTY TREASURER  
KEVIN HAJOS, DEPUTY SUPERINTENDENT, DEPARTMENT OF PUBLIC WORKS  
BUD YORK, WARREN COUNTY SHERIFF  
SHAWN LAMOUREE, WARREN COUNTY UNDERSHERIFF  
JOANN MCKINSTRY, ASSISTANT TO THE COUNTY ADMINISTRATOR  
RAUL TABORA JR., OUTSIDE COUNSEL FOR THE COUNTY  
TRAVIS WHITEHEAD, TOWN OF QUEENSBURY RESIDENT  
DON LEHMAN, *THE POST STAR*  
THOM RANDALL, *ADIRONDACK JOURNAL*  
SARAH MCLENITHAN, DEPUTY CLERK OF THE BOARD

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*Please note, the following contains a summarization of the March 29, 2018 meeting of the Finance Committee; the meeting in its entirety can be viewed on the Warren County website using the following link: <http://www.warrencountyny.gov/gov/comm/Archive/2018/finance/>*

Mr. Sokol called the meeting of the Finance Committee to order at 10:46 a.m.

Motion was made by Mr. Simpson, seconded by Mr. Strough and carried unanimously to approve the minutes of the previous Committee meeting, subject to correction by the Clerk of the Board.

Copies of the meeting Agenda were distributed to the Committee members and a copy of same is on file with the meeting minutes.

Moving on to the Action Agenda, Mr. Sokol requested approval of Item 1 which consisted of a request for transfer of funds as attached for Committee approval.

Motion was made by Ms. Braymer, seconded by Mr. McDevitt and carried unanimously to approve the request and the necessary resolution was authorized for the April 20<sup>th</sup> Board Meeting.

Mr. Sokol advised privilege of the floor would be offered at the conclusion of the meeting; he stated Agenda Item 2 pertained to an update on the County finances from the County Treasurer. Mike Swan, *County Treasurer*, informed he felt it was necessary for him to frequently advise them that the County “could not continue to spend its savings to balance the budget or they ran the risk of running out of money”. He apprised on a more positive note interest rates were increasing slightly thereby resulting in CD’s paying out more than the few money market accounts they had; therefore, he said, for the first time since 2009 they would be investing in some CD’s in an attempt to increase revenue. As an example of prior revenue acquired from CD’s, he stated in 2008 the County had accumulated almost \$300,000 in revenue from interest as compared to \$20,000 which was the lowest point over the last nine years. He apprised for those who were unaware, the monthly budget report was distributed via email every month and was also located on the County website for reference along with the information concerning occupancy tax and the audited financials. In conclusion he stated his Office was currently working on closing the

books for last year, which, he noted, thus far had not brought to his attention any issues. He surmised the balance of the Unappropriated Surplus Fund would end up around the same as it was at the close of last year which was about \$17 million. He continued, the audited financials would be completed in September and, he noted, the amount of sales tax collected in 2017 was 2.2% more than what was collected in 2016. He added occupancy tax collections were up by 3.7% in 2017 as compared to 2016.

Mr. Geraghty inquired whether Mr. Swan had a chance to review the audit completed on the Lake Champlain-Lake George Regional Planning Board and Mr. Swan replied in the negative. Mr. Geraghty asked him to review the audit, as well as the comments concerning their unsecured loans and provide an explanation on these comments at the next Committee meeting. Mr. Swan advised because these were high risk loans supported by grant funds he believed it was anticipated that some of these loans would be defaulted on. Mr. Geraghty informed he thought the statements included in the audit should be similar to the audit and Mr. Swan concurred. Mr. Sokol suggested that they schedule a special meeting of the Finance Committee immediately following the special Personnel & Higher Education Committee that was going to be scheduled the week of April 9<sup>th</sup> to receive comment from Mr. Swan. Mr. Beaty advised he believed what Mr. Geraghty was referring to was the Marvin Audit Report which indicated there were over \$1 million in loans, or 37% of their current \$3 million loan portfolio, that were in default. He said he interpreted this to mean they had given up on these loans paying back their interest and more than likely their principle balance, as well. He continued, when he brought this to the attention of the representatives of the Lake Champlain-Lake George Regional Planning Board, they indicated to him this information was not accurate, as they only had \$80,000 in loans which were in default. He stated he believed it was necessary to clarify the loan default amount since differing information was being provided. Mr. Swan apprised he would review the audit and provide them with an answer at the special Finance Committee meeting.

Resuming the agenda review, Mr. Sokol apprised Agenda Item 3 concerned a referral from the County Facilities Committee, *Airport*, regarding a request to amend the County Budget in the amount of \$1,358.21 to reflect receipt of insurance recovery funds for repair of a vehicle.

Motion was made by Mr. Geraghty, seconded by Mrs. Frasier and carried unanimously to approve the request and the necessary resolution was authorized for the April 20<sup>th</sup> Board Meeting.

Mr. Sokol advised Agenda Items 4A-E pertained to the following referrals from the Criminal Justice & Public Safety Committee:

- 4A) *District Attorney*-Request for a transfer of funds in the amount of \$14,200 from the Contingent Account to cover the cost of the salary increase for the District Attorney to comply with statutory requirements as mandated by New York State.
- 4B) *Office of Emergency Services*- Request for a transfer of funds in the amount of \$1,000 from a source of funding to be determined to cover the increased costs associated with the continued operation and maintenance of the Schroon River gage.
- 4C) *Sheriff*- Request to amend the County Budget in the amount of \$33,018.86 to reflect receipt of insurance recovery funds.
- 4D) *Sheriff*- Request to amend the County Budget in the amount of \$20,000 to carry over unused funds from the FY16 State Law Enforcement Terrorism grant.
- 4E) *Sheriff*- Request to amend the County Budget in the amount of \$19,994 to carry over unused funds from the FY17 State Law Enforcement Terrorism Program grant.

Motion was made by Mr. Geraghty, seconded by Mr. Simpson and carried unanimously to approve Items 4A-E, as outlined above, and the necessary resolutions were authorized for the April 20<sup>th</sup> Board

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Continuing with the Agenda review, Mr. Sokol informed Agenda Items 5A-C pertained to the following referrals from the Health, Human & Social Services Committee, *Mental Health*:

- 5A) *Employment & Training*- Request to amend the County Budget in the amount of \$1,000 to reflect the receipt of Federal Trade Investment Act funding as reimbursement for costs associated with the training of nine dislocated workers.
- 5B) *Health Services*- Request to amend the County Budget in the amount of \$56,875.50 to reflect the receipt of funds provided by the Adirondack Rural Health Network to support the New York State Delivery Systems Reform Incentive Payment Program.
- 5C) *Mental Health*- Request to amend the County Budget in the amount of \$289,921 to allow for pass through of 100% State Aid (NYS OASAS) funding to the Addictions Care Center of Albany, Inc. to provide residential substance abuse services.

Motion was made by Mr. Geraghty, seconded by Mrs. Frasier and carried unanimously to approve Items %A-C, as outlined above, and the necessary resolutions were authorized for the April 20<sup>th</sup> Board Meeting.

Mr. Sokol informed Agenda Item 6 pertained to a referral from the Park Operations & Management Committee regarding a request to authorize reimbursement in the total amount of \$12,630.12 to the Village of Lake George for various expenses related to the Charles R. Wood Park, as well as to appropriate funds from Budget Code A691.07, *Deferred Revenue Gaslight Village Parking Fees*, in the amounts of \$12,589.26 to Budget Code A.1625 413, *Charles R. Wood Park, Repair & Maint.-Bldg/Property*, and \$40.86 to Budget Code A.1625 410, *Gaslight Village Property, Supplies*, to fund same.

Mr. Geraghty apprised he had notified the Village of Lake George it was necessary for them to submit these vouchers for reimbursement in a timely manner, as these were expenses accrued last year. He said he was agreeable to moving this request forward, but in the future if they were not submitted within a sensible timeframe he did not believe they should not be paid.

Motion was made by Mr. Geraghty, seconded by Mr. Merlino and carried unanimously to approve the request and the necessary resolution was authorized for the April 20<sup>th</sup> Board Meeting.

Agenda Items 7A-B concerned the following referrals from the Support Services Committee, *Information Technology*:

- 7A) Request to appropriate funds in the amount of \$43,000 from the Computer Reserve Fund, *Budget Code A.895*, to various Departmental budgets for the purchase of computers and related equipment and software.
- 7B) Request for a transfer of funds in the amount of \$8,000 from the Contingent Account to cover the costs to close out a project which was carried over from last year.

Motion was made by Ms. Braymer, seconded by Mr. Beaty and carried unanimously to approve Items &A-B, as outlined above, and the necessary resolutions were authorized for the April 20<sup>th</sup> Board Meeting.

Mr. Sokol stated Agenda Item 8 concerned a referral from the Traffic Safety Board pertaining to a request to amend the County Budget in the amount of \$5,400 to reflect receipt of STOP-DWI Crackdown grant funding.

Motion was made by Mr. Geraghty, seconded by Mr. Simpson and carried unanimously to approve the request and the necessary resolution was authorized for the April 20<sup>th</sup> Board Meeting.

Agenda Items 9A-B, Mr. Sokol advised pertained to the following requests/items to be discussed by the County

Attorney:

9A) Discussion concerning a request for the County to join a lawsuit.

Mary Elizabeth Kissane, *County Attorney*, apprised an executive session was required to discuss pending litigation regarding a settlement for the Universal Settlement which Raul Tabora Jr., *Outside Counsel for the County*, was present to discuss. She added it was also necessary to discuss the request to join a lawsuit by an outside organization. Mr. Geraghty suggested they return to this item following the conclusion of the Agenda review and the Committee concurred.

9B) Home Rule request to extend additional mortgage recording tax.

Amanda Allen, *Clerk of the Board*, advised in accordance with the Local Law that was adopted at the March 16<sup>th</sup> Board meeting, it was necessary for them to approve a resolution for a Home Rule Request and she referred to the supporting documentation included within the Agenda packet.

Motion was made by Mr. Geraghty, seconded by Mr. Merlino and carried by majority vote, with Mr. Beaty voting in opposition, to approve the Home Rule request to extend additional mortgage recording tax as outlined above and the necessary resolution was authorized for the April 20<sup>th</sup> Board Meeting.

Returning to Agenda Item 4B, Mr. Sokol apprised it was necessary to determine a source of funding in the amount of \$1,000 to cover the increased costs associated with the continued operation and maintenance of the Schroon River gage. He informed the current balance of the County's contingent account was \$269,000.

Mr. Geraghty made a motion, which was seconded by Mr. Simpson to transfer funds in the amount of \$1,000 from the Contingent Account to cover the increased cost as outlined above. Mr. Sokol called the question and the motion was carried unanimously.

Mr. Sokol advised that Agenda Items 10A-B pertained to the following Requests/Items to be Discussed by the County Administrator:

10A) Journal Reports of transfers approved by the County Administrator staff during February of 2018.

Mr. Geraghty stated these were all typical transfers.

10B) Request to appropriate funds in the amount of \$5,000 from the Westmount Legacy Reserve to pay legal fees and contractual expenses.

Motion was made by Mr. Geraghty, seconded by Mr. Simpson and carried unanimously to approve the request and the necessary resolution was authorized for the April 20<sup>th</sup> Board Meeting.

Concluding the Agenda review, Mr. Sokol advised Item 11 pertained to Finance Committee action which was required on the following items as approved by the Personnel & Higher Education Committee: Personnel & Higher Education Agenda Items 3A-B and 4A-B.

Motion was made by Ms. Braymer, seconded by Mrs. Frasier and carried unanimously to approve the request and the necessary resolution was authorized for the April 20<sup>th</sup> Board Meeting.

Mr. Sokol apprised it was necessary to address the Sheriff's request for a contract with the Hadley Luzerne School District to provide law enforcement services within the Hadley-Luzerne School District in an amount not to exceed \$60,000 for the school year calendar.

Motion was made by Mr. Simpson and seconded by Mr. Merlino to approve the request for a contract with Hadley-

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Luzerne School District was outlined above.

Mr. Strough questioned why the cost of the contract was so high and Bud York, *Warren County Sheriff*, responded that the contract amount was up to an amount not to exceed \$60,000 per school year. He stated since the contract would be starting in April the amount would be significantly less than \$60,000. Mr. Strough asked whether the school district would be charged a per day fee and Sheriff York replied in the affirmative, noting the school would charge an hourly wage per day. Shawn Lamouree, *Warren County Undersheriff*, advised the hourly wage for a part-time patrol officer was \$19.42 per hour. He said the figure of \$60,000 was based on an eight hour day, 180 days a days a year, as well as special events if needed. Mr. Sokol inquired whether this pertained to a calendar year or the school year and Sheriff York responded it was for the school year. He stated the contract this year would cover the remaining 2018 school year; however, he noted, next year it would encompass the 2018-2019 school year. Mr. Driscoll inquired whether services would be provided to schools who offered summer school and Sheriff York responded this was something they had not discussed, but if the school was interested he was open to discussing this option. Ms. Braymer inquired whether there were retirement benefits and insurance costs associated with these positions and Undersheriff Lamouree replied the positions were covered under their current liability insurance and since they would be hiring retired officers on part-time basis benefits were not applicable. Ms. Braymer inquired whether the hourly rate charged would cover the cost of carrying insurance on that employee and Undersheriff Lamouree responded they would be covered under the County's current umbrella policy. Ms. Braymer pointed out there was still a cost associated with covering those employees under the umbrella policy and Sheriff York interjected that they had not broken it down to figure out what these costs were. Ms. Braymer stated going forward these requests should go before the Criminal Justice & Public Safety Committee to ensure any future contracts with school districts for these services covered the additional costs, as it would end up being very costly to buy weapons, pay for them to be covered under the County's insurance, etc. and Sheriff York concurred.

A discussion ensued following which Mr. Sokol called the question and the motion to approve the contract with Hadley-Luzerne School District was carried unanimously and the necessary resolution was authorized for the April 20<sup>th</sup> Board Meeting.

Prior to returning to Agenda Item 9A which required an executive session, Mr. Sokol stated he would like to address the Committee regarding a matter that pertained to him. He read aloud a prepared statement providing his response to the Editorial included in today's edition of *The Post Star* regarding the discussion that took place at the March 26<sup>th</sup> meeting of the Economic Growth & Development Committee between himself and Travis Whitehead, *Warren County Resident*, concerning a loan by the Lake Champlain-Lake George Regional Planning to the DLS Corporation. He apprised that DLS was not a Sokol family corporation, but rather a corporation between Don and Lucina Sokol, who he disclosed were his parents. He pointed out he benefitted in no way from this loan, noting if it were to go into default it allowed the Federal Government, who funded the loan, the opportunity to take his parents home as the form of collateral. He said in a few minutes he would read aloud a letter from Ms. Kissane explaining why this was not a conflict of interest for him, but before he did so he outlined his concerns on decorum as follows: Mr. Whitehead could have approached him personally to discuss the matter and he would have happily obliged since it was his parents business which he was not involved in; Mr. McDevitt, as Chairman of the Economic Growth & Development Committee, could have requested that the Committee enter into an executive session and allow Mr. Whitehead to remain to discuss the matter further; and he believed they needed to follow through with Chairman Conover's request that they address the Chair of the meeting to strive for proper meeting etiquette. Mr. Sokol proceeded to read aloud a letter from Ms. Kissane which indicated it was her opinion that Mr. Sokol had no conflict of interest with the Lake Champlain-Lake George Regional Planning Board and since no conflict existed he was permitted to vote on Resolution No. 133 of 2018, *Authorizing Payment to Lake Champlain-Lake George Regional Planning Board*. He informed he planned on personally filing an ethics review on himself, as he was confident this matter would resolve itself. He remarked going forward he hoped they could be educated about how and why they raised certain issues so no time or taxpayer money was lost. He apprised he was willing to discuss these issues more in depth with anyone who would like to, noting he appreciated those who had reached out to him. He said he had no issue sharing; however, he noted, he was not comfortable doing so in an open session.

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Mr. Sokol offered privilege of the floor to anyone present wishing to address the Committee on any matter. Mr. Whitehead stated his purpose for bringing the matter up at the Economic Growth & Development Committee meeting was to try and bring focus to who the loans were being awarded to and not in particular to Mr. Sokol. He stated there was a loan to Mr. DeSantis that he would question, as well since according to the Lake Champlain-Lake George Regional Planning Board's own rules those who were awarded loans must have been turned down by a bank before they would consider awarding a loan. He remarked he believed those like Mr. DeSantis, who had ample collateral around the County would be able to obtain a bank loan. He advised his reason for this was to "spur" the Board and in particular Chairman Conover, to take a harder look into this issue that he had been bringing up for almost three months now. He mentioned when he became aware of the loan to the Sokol's he thought it would be a good way to draw attention to the fact that there may be good reasons to take a closer look at who these loans were being awarded to. He informed he still had the same concerns now as he did then and he hoped they looked harder not only into the Lake Champlain-Lake George Regional Planning Board, but also the private company that some of their members created entitled LCLGRDC which, he noted, was the entity getting million of dollars of loans and handing them out. He said although he was not a lawyer he felt the LCLGRDC was similar in construction to the Local Development Corporation, Economic Development Corporation, Civic Development Corporation, etc. all of whom were economic development corporations who handed out public monies to all types of individuals for the main purpose of creating jobs in struggling businesses. He informed he still had a number of questions along that line and he apologized for causing any embarrassment to Mr. Sokol, as that was not his intent. He said he saw this had caused embarrassment and for that he provided Mr. Sokol with his apology; however, he reiterated, his intent was to "spur" Chairman Conover to take a harder look at this. He commended Mr. Sokol for requesting that the Ethics Board review this matter since he, as a taxpayer was not permitted to make the request. He said he hoped the Ethics Board would review this matter, as he believed there were a number of questions that required answering. As an example, he stated Mr. Magowan had been questioned whether he was permitted to voice his opinion regarding the Airport since his brother-in-law was associated with the current FBO (*Fixed Base Operator*) which, he opined, was less of a relationship than a parent. He concluded by thanking Mr. Sokol for providing him with the opportunity to respond.

Mr. Sokol remarked he was appreciative of the work Mr. Whitehead did, apprising there were not a lot of people who put in the amount of time and effort Mr. Whitehead did. He indicated he would like to meet with Mr. Whitehead following the meeting to answer some of his questions. He noted his parents loan would not go into default status, but rather would be paid off.

Returning to Agenda Item 9A, Ms. Kissane said an executive session was required to discuss Universal Settlement and litigation that the County was asked to join.

Motion was made by Mr. Geraghty, seconded by Mr. Simpson and carried unanimously to enter into executive session pursuant to Sections 105(d) of the Public Officer's Law.

Executive session was held from 11:22 a.m. until 12:10 p.m.

Upon reconvening Mr. Sokol announced no action was taken during the executive session.

Mr. Sokol notified the special meetings of the Personnel & Higher Education and Finance Committees would be scheduled for April 11<sup>th</sup> beginning at 10:00 a.m.

There being no further business to come before the Finance Committee, on motion made by Mr. Dickinson and seconded by Mr. Simpson, Mr. Sokol adjourned the meeting at 12:11 p.m.

Respectfully submitted,  
Sarah McLenithan, Deputy Clerk of the Board