

WARREN COUNTY BOARD OF SUPERVISORS

COMMITTEE: FINANCE

DATE: APRIL 11, 2018

COMMITTEE MEMBERS PRESENT:

SUPERVISORS SOKOL
SIMPSON
MERLINO
STROUGH
FRASIER
MCDEVITT
GERAGHTY
BRAYMER
HYDE

OTHERS PRESENT:

RONALD CONOVER, CHAIRMAN OF THE BOARD
MARY ELIZABETH KISSANE, COUNTY ATTORNEY
RYAN MOORE, COUNTY ADMINISTRATOR
AMANDA ALLEN, CLERK OF THE BOARD
FRANK THOMAS, BUDGET OFFICER
SUPERVISORS DRISCOLL
LEGGETT
WILD
MIKE SWAN, COUNTY TREASURER
TRAVIS WHITEHEAD, TOWN OF QUEENSBURY RESIDENT
SARAH MCLLENITHAN, DEPUTY CLERK OF THE BOARD
DON LEHMAN, *THE POST STAR*
CHRISTOPHER SOUTH, *SUN COMMUNITY NEWS*

COMMITTEE MEMBERS ABSENT:

SUPERVISORS DICKINSON
BEATY

Please note, the following contains a summarization of the April 11, 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 10:17 a.m.

Motion was made by Mr. Simpson, seconded by Mr. Merlino 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.

Commencing the Agenda review, Mr. Sokol announced privilege of the floor would be offered at the conclusion of the meeting; he stated Agenda Items 1A-B pertained to the following Items/Requests to be discussed by the County Treasurer:

- 1A) Mike Swan, *County Treasurer*, to answer questions posed by the Committee members concerning the Marvin Audit Report of the Lake Champlain-Lake George Regional Planning Board.

Mr. Swan advised he had been asked to review the Marvin Audit Report and provide an explanation regarding some of the figures mentioned within the report for clarification purposes. He informed the report included with the 2016 Draft Audit indicated there was \$2.8 million in outstanding loans as of December 31, 2016 with a provision for losses of \$488,800. He said in addition it was noted that there was \$1 million, or 37% of the outstanding loan balance, that was no longer accruing interest because management had determined that the collection of interest was doubtful. He stated there was no way for him to determine whether the principle payments were being made on the loans that were no longer accruing interest due to the way the report was structured. He surmised that since no interest payments were being made the principle payments were not being made either, but this was not recorded well in the audit. He said this meant out of the \$2.8 million in outstanding loans, \$488,800 was being written off as lost as they were assuming those loans would never be paid.

Ms. Braymer questioned whether these figures applied to a specific timeframe and Mr. Swan responded he assumed these were older long-term loans. He said he did not have any information regarding these loans due to the way the audit was set up. He apprised his recommendation to the Lake Champlain-Lake George Planning Board would be that they compile a loan aging report which would display the outstanding balance for every loan they had as of December 31, 2016, the original amount of the loan,

the current balance, the date of the last payment and whether there was a default. He mentioned there was no way for them to obtain this information from the audit in its current format. He added the only other thing he could accurately state was that the figures included in the 2015 audit were similar to the ones in 2016 thereby leading him to believe this was ongoing; however, he noted, he was unsure.

A discussion ensued following which it was the consensus of the Committee for the County Treasurer to contact the Lake Champlain-Lake George Regional Planning Board and request that they provide the Committee members with a loan aging report prior to the May 3rd Finance Committee meeting to allow them time to review the information before the meeting.

- 1B) A source of funding will need to be determined to pay for the settlement of Gillette versus Warren County.

Mr. Swan stated it was necessary to identify a source of funding in the amount of \$100,000 to pay the settlement for Gillette versus Warren County. He said it was necessary for the Committee to determine whether they wanted the funds to be appropriated from the Contingent Account or the General Fund Unappropriated Surplus to Budget Code *A.1490 419, Public Works Admin-DPW-Settlements*, to pay this settlement.

Mr. Sokol advised the balance of the Contingent Account was \$245,000; however, he noted, he did not feel they should appropriate the funds from this account since this would deplete a substantial amount of the funds and it was only April.

Motion was made by Mr. Geraghty, seconded by Mr. Merlino and carried unanimously to appropriate funds in the amount of \$100,000 from the General Fund Unappropriated Surplus as outlined above and the necessary resolution was authorized for the April 20th Board Meeting.

Mr. Sokol announced he would like to address the one pending item listed concerning the Environmental Testing Fund and asbestos abatement on the former Jail prior to discussing Agenda Item 2. Mr. Swan asked Mary Elizabeth Kissane, *County Attorney*, to provide the Committee with an update on the matter. Ms. Kissane informed the resolution specifically stated that the Environmental Testing Reserve Fund could only be used for the purposes that it was established for. She continued, the original purpose for establishment was to finance the cost of restoration investigation products in instances where the County obtained property through the tax foreclosure proceeding following which temporary incidence of ownership was taken under the environmental conservation law. She advised cleaning up the former Jail did not fit into any of the categories regarding what money from this fund could be used for.

Mr. Sokol questioned what the funds from the Environmental Testing Fund were currently used for and Mr. Swan responded the funds were being used to pay for testing on a few properties located throughout the County. He apprised a percentage of the money received from the tax foreclosure auction was allocated into the Fund every year.

Chairman Conover inquired what the current balance in the Fund was and Mr. Swan replied there was slightly more than \$200,000 available. A discussion ensued with regard to the possibility of placing a cap on the balance of the Fund.

Mr. Sokol asked Mr. Swan whether he was seeking an alternative source of funds to pay for the asbestos abatement of the former Jail since it had been determined the money from the Environmental Testing Reserve could not be used for this purpose and Mr. Swan replied in the negative. Mr. Simpson questioned whether the matter would be referred back to the County Facilities Committee and Mr. Sokol replied in the affirmative. Mr. Simpson pointed out the topic of asbestos abatement on the former Jail had been discussed for several years now, apprising he believed it was time for them to take care

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of it.

Returning to Agenda Item 2, Mr. Sokol stated this item pertained to a Request/Item to be discussed by the County Attorney regarding a settlement agreement. Ms. Kissane interjected prior to addressing the settlement agreement she would like to discuss another item concerning an inquiry she received from Ms. Braymer regarding whether the opioid litigation had been filed. She apprised she had indicated to Ms. Braymer the litigation had not been filed; however, she noted, following her search on the County Clerk's website she determined the litigation was filed on February 7, 2018.

Ms. Kissane apprised the settlement concerned a lawsuit that was filed in 2009 against the County and the Town of Hague involving a negligent design and wrongful death case. She informed since both the Town and County had general liability insurance policies that covered this case the County commenced a declaratory judgement action against the Town to request that the Town cover the County in this litigation as an additional insured. She continued, since 2009 the Town's insurance company had covered all of the defense costs. She apprised the underlying case of Fenimore vs. Warren County had recently been settled; therefore, she said both the Towns and County's insurance companies were requesting that the County approve the settlement and pay the \$10,000 insurance deductible. Note: Subsequent to the meeting it was determined by the Treasurer's Office that this amount would be paid from the existing DPW budget.

A discussion ensued following which a motion was made by Mr. McDevitt, seconded by Mr. Merlino and carried by majority vote, with Mrs. Frasier abstaining, to approve the settlement agreement for Fenimore versus Warren County and authorizing the appropriation of funds in the amount of \$10,000 from the Contingent Account to pay the County's insurance deductible. The necessary resolution was authorized for the April 20th Board Meeting.

Moving along, Mr. Sokol advised Agenda Item 3 pertained to Finance Committee action which was required on the following items as approved by the Personnel & Higher Education Committee: Personnel & Higher Education Agenda Item 1.

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

Finally, Mr. Sokol offered privilege of the floor to anyone present wishing to address the Committee on any matter, but no response was given.

There being no further business to come before the Finance Committee, on motion made by Mr. Merlino and seconded by Mrs. Frasier, Mr. Sokol adjourned the meeting at 10:36 a.m.

Respectfully submitted,
Sarah McLenithan, Deputy Clerk of the Board