

WARREN COUNTY BOARD OF SUPERVISORS

COMMITTEE: FINANCE

DATE: MARCH 5, 2020

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COMMITTEE MEMBERS PRESENT:

SUPERVISORS FRASIER  
CONOVER  
GERAGHTY  
BEATY  
BRAYMER  
MCDEVITT  
MERLINO  
SIMPSON  
STROUGH

OTHERS PRESENT:

MIKE SWAN, COUNTY TREASURER  
FRANK THOMAS, CHAIRMAN OF THE BOARD  
RYAN MOORE, COUNTY ADMINISTRATOR  
MARY ELIZABETH KISSANE, COUNTY ATTORNEY  
AMANDA ALLEN, CLERK OF THE BOARD  
SUPERVISORS LEGGETT  
MAGOWAN  
SEEBER  
MIKE COLVIN, DIRECTOR, INFORMATION TECHNOLOGY  
TAMMIE DELORENZO, ASSISTANT TO THE COUNTY ADMINISTRATOR  
KEVIN HAJOS, SUPERINTENDENT OF PUBLIC WORKS  
TRAVIS WHITEHEAD, TOWN OF QUEENSBURY RESIDENT  
SARAH MCLENITHAN, DEPUTY CLERK OF THE BOARD

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Please note, the following contains a summarization of the March 5, 2020 meeting of the Finance Committee; the meeting in its entirety can be viewed on the Warren County website using the following link: <https://www.warrencountyny.gov/gov/comm/Archive/2020/finance/>

Mrs. Frasier called the meeting of the Finance Committee to order at 11:29 a.m.

Motion was made by Mr. McDevitt, seconded by Mr. Conover 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.

Prior to commencing the Agenda review, Mrs. Frasier advised Mike Colvin, *Director, Information Technology*, was present to put forward a request that came to light yesterday pertaining to authorizing the appropriation of funds in the amount of \$2,500 from the Computer Reserve Fund to various departmental budgets for the purchase of computers and related equipment and software. Mr. Colvin explained a plotter that was used daily by the Real Property Tax Services Office had ceased working and needed to be replaced as soon as possible.

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

Proceeding to the Action Agenda, Mrs. Frasier apprised Agenda Items 2A-B concerned the following Items/Requests to be Discussed by the County Treasurer:

- 2A) Request to fill the vacant position of Payroll Technician, *Grade 10, Base Annual Salary \$37,633*, due to resignation.

Mike Swan, *County Treasurer*, stated the individual in the position had resigned for personal reasons and he needed to fill the position as soon as possible due to the volume of work handled by the payroll division of his office which consisted of two employees.

Motion was made by Mr. Geraghty, seconded by Mr. Strough and carried unanimously to approve the request and forward same to the Personnel & Administration Committee for reporting purposes. *A copy of the Notice of Intent to Fill Vacant Position Form is on file with the minutes.*

Ms. Braymer entered the meeting at 11:31 a.m.; Mr. Simpson entered the meeting at 11:32 a.m.

- 2B) Request to amend the Unassigned Fund Balance Policy for Warren County to maintain an unrestricted general fund balance of no less than 15% of regular general fund operating expenditures for five years and then increase it to 16.7%.

Mr. Swan apprised he was reintroducing this Item which he had requested to be tabled at the October 18, 2019 Board Meeting concerning the County's Unassigned Fund Balance Policy. He stated during the refinancing of the bonds for the Human Services Building, Standard & Poor's had suggested the County update its current policy which indicated the lesser amount be no less than \$9 million and the amount not to exceed was set at \$16 million. He said he would like to handle this differently and maintain an unrestricted general fund balance of no less than 15% of regular general fund operating expenditures for five years and then increase it to 16.7%.

A discussion ensued following which a motion was made by Mr. Simpson, seconded by Mr. Conover and carried unanimously to approve the request as presented and the necessary resolution was authorized for the March 20<sup>th</sup> Board Meeting.

Mr. Swan stated he had one additional item not included on the Agenda that he would like to discuss for informational purposes regarding the Tobacco Settlement and the Warren Tobacco Asset Security Corporation. He informed in the late 1990's multiple lawsuits were brought against the tobacco companies because of lung cancer and other health issues which resulted in a settlement that essentially established a trust to administer the distribution of the monies that were part of the settlement the tobacco companies had to pay. He said each year every County in New York was awarded a certain amount of funding to offset the cost of healthcare for individuals who had health issues as a result of smoking, as well as to fund educational programs. He apprised in 2001 the trust that administered this settlement advanced the idea that a non-profit corporation could be established to sell a bond and the cash receipts from the sale would be allocated to the County. He mentioned in 2001 the County established the Warren Tobacco Asset Security Corporation and a 2001 Series Bond was sold which netted around \$5.5 million for the County with the proceeds being used to fund the County Jail, as well as a few other things. He explained the manner in which this was established was that the Warren Tobacco Asset Security Corporation would receive a percentage of whatever the County's settlement payment was each year meaning that first bond was a guarantee of 25% of whatever the County's annual settlement payment was would be allocated to pay the bonds. He stated basically what occurred was the Corporation, which was a not-for-profit, sold the bonds and provided the funds gained from the sale to the County following which they took 25% of the County's annual settlement to pay for the bonds. He said it was done again in 2005, but this time it netted the County about \$1.8 million with the understanding that the County would provide the Corporation an additional 25% of its annual settlement to pay back the bond resulting in 50% of the settlement check being allocated to the County and the remainder was allocated to the Corporation to pay back the bonds. He apprised currently the annual settlement amount which was decreasing every year was around \$800,000 and was split evenly between the County and the Corporation.

In regard to the questions he had received regarding the possibility of refinancing those bonds, Mr. Swan apprised in 2017 the Corporation hired a private fiscal advisor to review the possibility of refinancing any

of the bonds following which the Corporation took the recommendation of this fiscal advisor that it was not in the best interest of the Corporation to refinance these bonds because the 2001 Series Bonds were not callable meaning they could not be refinanced unless the individual bond holders agreed to refinance them; however, he noted, he did not believe they would be agreeable to that because those bonds paid around 9% interest and the current interest rate was about 1%. In regard to the 2005 offering, Mr. Swan stated the bond matured in the year of 2060 with no payments being made until then. He added those bonds were also not callable and he did not believe the bond holders would be agreeable to refinancing them. He mentioned another reason the Corporation decided not to refinance those bonds was because there would be no advantage to the County because regardless of what occurred with those bonds the trust settlement required that the annual payments be split evenly between the County and the Corporation. He said this payment arrangement would not change until the 2001 bond matured in 2026 and then the County would receive 75% of the settlement and the Corporation would obtain 25%.

A discussion ensued during which Mr. Swan answered questions posed by the Committee and privilege of the floor was extended to Travis Whitehead, *Town of Queensbury Resident*, who advised the Warren Tobacco Asset Security Corporation was a private corporation. He explained since it was for public benefit, it was monitored by the ABO (*Authorities Budget Office*) and because it was incorporated under 1411, the Corporation was required to adhere to certain rules; one of which was that their meetings had to be advertised, but this was not being done. He stated if the Committee did not want anyone to make the County liable for the loans if the Corporation defaulted on them then it was necessary for the County to ensure the Corporation was doing what was required of them legally, such as posting their meetings, holding elections and getting off of the ABO delinquent list for not filing their paperwork on time.

Mrs. Frasier apprised that Agenda Item 3 pertained to a referral from the Health Services Committee, *Public Health*, concerning a request to amend the County Budget in the amount of \$1,000 to reflect receipt of Adirondack Health Institute funding for 2020 Adirondack Rural Health Network Prevention Agenda Project to increase access to healthy foods.

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

Continuing with the Agenda review, Mrs. Frasier informed Agenda Item 4 concerned a referral from the Public Safety Committee, *Sheriff*, regarding a request to amend the County Budget in the amount of \$134,876 to reflect appropriate revenues and expenses for the second half of the School Resource Officers contract.

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

Mrs. Frasier advised Agenda Items 5A-C pertained to the following referrals from the Public Works Committee:

- 5A) *Parks, Recreation & Railroad* - Request to amend Resolution No. 363 of 2019 to change the description of A.899.00, *Reserve, County Railroad Repair*, to include future license agreements and insurance proceed revenue collected from 2019 going forward.

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

- 5B) *DPW* - Request to amend the County Budget in the amount of \$384 to reflect receipt of an insurance recovery payment for guardrail repairs on Luzerne Road Trail.

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

- 5C) DPW - Request from the Village of Lake George for a ten year agreement to allow the Village of Lake George to retain up to \$75,000 per year of the County's share of parking revenues from the Beach Road Parking Lot. *(Please note following the Public Works Committee meeting the Mayor for the Village of Lake George modified his request from not to exceed \$100,000 per year for ten years to \$75,000 per year for ten years).*

Mary Elizabeth Kissane, *County Attorney*, asked whether everyone had received a copy of the agreement and the Committee members replied affirmatively.

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

Mrs. Frasier advised Agenda Item 6 concerned a referral from the Tourism Committee involving a request to amend the Warren County Credit Card Policy to increase the amount of the card used exclusively by the Tourism Department from a limit of \$30,000 per month to \$50,000 per month.

Mr. Geraghty questioned why the Tourism Department needed a credit card with a \$50,000 limit, as he believed that was a significant amount of money to spend on a credit card every month. Mrs. Frasier replied they would only be using that amount for two months out of the year. Ryan Moore, *County Administrator*, stated the increase related to the Tourism Department taking on more responsibility of purchasing advertisements rather than paying an outside vendor to do so.

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

Mrs. Frasier informed that Agenda Items 7A-B pertained to the following Requests/Items to be Discussed by the County Administrator:

- 7A) Journal Reports of transfers approved by the County Administrator staff during the months of December of 2019 and January of 2020.

Mr. Moore stated a Journal Report of transfers approved by the County Administrator staff during December of 2019 and January of 2020 was included within the Agenda.

- 7B) Request to appropriate funds in the amount of \$375,047 from the Vehicle Reserve to various Departmental budgets to cover vehicle purchases.

- 7C) Request to amend the County Budget for the Department of Social Services in the amount of \$17,363 to reflect the receipt of anticipated State Aid for a vehicle purchase.

Ms. Braymer asked if any hybrid vehicles were purchased this year and Tammie DeLorenzo, *Assistant to the County Administrator*, replied in the negative. Ms. DeLorenzo advised they had put the hybrid vehicles out to bid, but none were purchased due to them being cost prohibitive.

Motion was made by Mr. Simpson, seconded by Mr. Strough and carried unanimously to approve the requests as presented and the necessary resolutions were authorized for the March 20<sup>th</sup> Board Meeting.

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Mrs. Frasier apprised they needed to address a referral from the Personnel & Administration Committee pertaining to determining a source of funding for the Director of Public Affairs position that was being created. Mr. Moore stated he could do a review of all of the salaries in the County and split it out proportionally, but this may create issues for the staff that handled the County payroll. Mr. Swan interjected that this would be difficult for the payroll staff to undertake.

A discussion ensued following which a motion was made by Mr. Conover, seconded by Mr. Simpson and carried unanimously for the Budget Officer to work with Mr. Moore on locating the funds to pay for this position within the current budget.

Mrs. Frasier apprised Agenda Item 8 which pertained to Finance Committee action which was required on the following items as approved by the Personnel & Administration Committee: Personnel & Administration Agenda Items 2A-B, 3A, 4A-C, 6 and 7B-C.

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

Mrs. Frasier offered privilege of the floor to anyone present wishing to address the Committee on any matter.

Ms. Seeber voiced her desire for the intent of the Tobacco funding to be included on a future agenda, as she felt this would be beneficial for the Committee. She said the intent when the settlement was initially established was for the purpose of prevention and education; however, she noted, it was her understanding the Treasurer's Office had some concerns on how that was funneled through the different departments. Mr. Moore advised a small amount of the settlement funding was used to pay for tobacco education, but the purpose of the settlement funds was to offset the cost to governments of public health meaning when they collected it in the General Fund it was used to offset the cost of public health functions that were otherwise funded by the General Fund. Ms. Seeber remarked she still had some concerns about that based on her conversation with Mr. Swan which she could bring up at a different time if the Committee did not want to include it as a pending item.

Mr. Geraghty suggested a synopsis of the intent of the Tobacco funding be provided to the full Board. Chairman Thomas stated the 2017 audit of the Warren Tobacco Security Asset Corporation provided an explanation regarding this. Mr. Moore advised he would distribute this audit to the Board Members following the conclusion of the Committee meeting.

Prior to adjourning Mrs. Frasier apprised she would like to wish Mr. Merlino a happy birthday.

There being no further business to come before the Finance Committee, on motion made by Mr. Simpson and seconded by Mr. Strough, Mrs. Frasier adjourned the meeting at 12:04 p.m.

Respectfully submitted,  
Sarah McLenithan, Deputy Clerk of the Board