

WARREN COUNTY BOARD OF SUPERVISORS

COMMITTEE: FINANCE

DATE: SEPTEMBER 10, 2008

COMMITTEE MEMBERS PRESENT:

SUPERVISORS STEC
BELDEN
O'CONNOR
BENTLEY
TESSIER
CHAMPAGNE
VANNESS
KENNY
MERLINO

OTHERS PRESENT:

FREDERICK MONROE, CHAIRMAN OF THE BOARD
HAL PAYNE, COMMISSIONER OF ADMINISTRATIVE & FISCAL SERVICES
JOANN MCKINSTRY, DEPUTY COMMISSIONER OF ADMINISTRATIVE &
FISCAL SERVICES
JOAN SADY, CLERK OF THE BOARD
KEVIN GERAGHTY, BUDGET OFFICER
SUPERVISORS GOODSPEED
SHEEHAN
SIMMES
THOMAS
TODD LUNT, HUMAN RESOURCES DIRECTOR
JULIE PACYNA, PURCHASING AGENT
ALAN WALTHER, DORFMANN-ROBBIE, P.C.
ALYSON MARTIN, *THE POST STAR*
TOM RANDALL, *THE ADIRONDACK JOURNAL*
AMANDA ALLEN, SR. LEGISLATIVE OFFICE SPECIALIST

Mr. Stec called the meeting of the Finance Committee to order at 10:45 a.m.

Motion was made by Mr. Belden, seconded by Mr. Tessier and carried unanimously to approve the minutes from the August 6, 2008 Committee meeting, subject to correction by the Clerk of the Board.

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

Mr. Stec stated that Agenda Item 1 referred to a presentation by Alan Walther, of Dorfmann-Robbie, P.C., consisting of a review of the audit findings from the County's 2007 financial statements. Mr. Walther distributed copies of audit to the Committee members, which he highlighted for their benefit. *A copy of the audit is on file with the minutes.*

Mr. Walther began by advising that it was very important to keep in mind that the financial documentation included in the audit was generated by the County and that the only pages added by Dorfman-Robbie, P.C. were the Independent Auditors Report on pages 8 and 9; the Auditors Report on pages 53 through 56 and the Schedule of Findings and Questioned Costs on pages 57 and 58. He said that the role of Dorfman-Robbie, P.C. was to audit the report and give opinions thereon and he noted that during the audit his firm had encountered no difficulties in performing the audit, nor had they experienced any difficulties with management.

Mr. Walther directed the Committee members to page 57 of the audit which reflected the Schedule of Findings of Questioned Costs for 2007 that served as a summarization of the results of the audit. He pointed out that as reflected in the Schedule, the type of auditors' report issued was "unqualified" which was the highest level of assurance that could be given. Mr. Walther stated that no material weaknesses, reportable conditions or noncompliance issues had been identified in the Financial Statements portion of the audit and the same results were listed for the Federal Awards portion. He said that due to these results, the County qualified as a low-risk auditee.

Mr. Walther then directed the Committee members to page 12 of the audit which reflected the Balance Sheet for Governmental Funds. He noted that the document was broken down to reflect the different funds used by the County, as well as the County's assets, liabilities and equity. Mr. Walther stated that his brief comments on the document would be limited to the General Fund, which was the largest of the County Funds and was used in passing the formal Budget. He said that total assets as of December 31, 2007 were \$36.7 million, while the total liabilities were \$28.1 million, resulting in a total Equity (Fund balance) of \$8.6, of which \$2 million was reserved for various costs, \$2.1 million was used to balance the 2008 Budget, leaving the remaining \$4.4 million undesignated and unreserved.

Moving on to page 14, Mr. Walther outlined the Combined Statement of Revenues, Expenditures, Encumbrances and Changes in Fund Equity. He noted that the total revenues budgeted for 2007 was \$107.7 million, while the actual revenue received for the year was \$113.1 million, leading to a favorable variance of approximately \$5.3 million. He advised that the budgeted expenditures for 2007 were \$113 million and the actual expenditures were \$112.3 million, leaving a favorable variance of \$735,944. Referring to the net results for 2007, Mr. Walther said that the County had budgeted for a \$7.5 million decrease in the General Fund balance, but had actually incurred only a \$2.4 million decrease, leading to a net favorable variance of \$5.1 million.

As there were no questions from the Committee pertaining to the audit document, Mr. Walther directed the Committee members to the "Other Internal Control Matter" documentation which was comprised of a separate three page document distributed with the audit. Mr. Walther said that although no reportable issues had arisen during the audit, Dorfman-Robbie P.C. had developed a listing of advisements to the County which were outlined in this document. He stated that the advisements consisted of adjustments to the clarity of general ledger reconciliations in accounting for prior year accrual figures and in matching settlement payments with claims, as well as in the fiscal management and use of the Fund Balance and the development of written disaster recovery procedures. Mr. Walther noted that the letter also included an advisement on the changing standards for calculating and recording post-employment benefits as per the GASB (Governmental Accounting Standards Board).

Regarding the advisement relating to the fiscal management and use of the Fund Balance, Mr. Walther cited that due to the steady decline in the General Fund balance, it was the recommendation of Dorfman-Robbie, P.C. that the County be more cautious with future uses of the Fund balance. He said that potentially, if everything went according to the Budget, the \$2.1 million designated to balance the 2008 Budget would be used, leaving a total unreserved fund balance of only \$4.4 million. Considering that the County's operating budget was in excess of \$110 million, it was their opinion that the General Fund balance was becoming too low; he cited that an appropriate General Fund balance amount was 5% of the operating budget.

Todd Lunt, Director of Human Resources, entered the meeting at 11:00 a.m.

As there were no questions from the Committee with respect to the audit, Mr. Stec thanked Mr. Walther for his presentation and resumed the agenda review.

Item 2, Mr. Stec announced, consisted of several requests for a transfer of funds, for which supervisory Committee approval had already been obtained as necessary.

Motion was made by Mr. Belden, seconded by Mr. Champagne and carried unanimously to approve Item 2 as outlined above. *Copies of the requests for transfer of funds are on file with the minutes.*

Mr. Stec noted that Agenda Item 3A included a referral from the Community College Committee noting that the Committee had approved the revised 2008-2009 Budget for Adirondack Community College, which reduced Warren County's contribution to \$1,663,827. He added that Resolution No. 609 of 2008, which approved the original budget, needed to be rescinded and a resolution approving the revised share for Warren County was required.

Motion was made by Mr. Tessier, seconded by Mr. Champagne and carried unanimously to approve Item 3 as outlined above and the necessary resolution was authorized for the September 19th Board meeting.

Mr. Stec stated that Agenda Item 4 was a referral from the Human Services Committee, Employment & Training Administration, requesting an amendment to the 2008 County Budget to increase estimated revenues and appropriations in the amount of \$21,837 to reflect the receipt of State and Federal grant funds.

Motion was made by Mr. Bentley, seconded by Mr. VanNess and carried unanimously to approve Item 4 as outlined above. *A copy of the request is on file with the minutes.*

Continuing, Mr. Stec noted that Agenda Item 5 consisted of a referral from the Chairman of the Occupancy Tax Coordination Committee requesting that \$5,000 be appropriated from Special Event funding to support a marketing plan to attract more large conferences and conventions to Warren County.

Mr. Kenny, speaking as Chairman of the Occupancy Tax Coordination Committee, explained that they had originally intended to appropriate the necessary funding from Occupancy Tax reserve funds, but had found that the funds were not available. However, he stated, there were sufficient funds remaining in the Special Event fund that could be used. He said that the Occupancy Tax Coordination Committee had approved a resolution at their prior Committee meeting which would be presented at the September Board meeting, allowing for Special Event funding to be used in this manner as the current resolution did not allow for the funds to be used for advertising expenses.

Motion was made by Mr. Kenny, seconded by Mr. Tessier and carried unanimously to approve Item 5 as outlined above and the necessary resolution was approved for the September 19th Board meeting.

Mr. Stec advised that Agenda Item 6A was a referral from the Planning and Community Development Committee requesting an amendment to the 2008 County Budget to increase estimated revenues and appropriations in the amount of \$400,000 to reflect receipt of New York State Housing Trust Fund Corporation Small Cities Program grant funds and to establish Budget Code CD 69 for the new grant award.

Motion was made by Mr. Belden, seconded by Mr. Merlino and carried unanimously to approve Item 6A as outlined above. *A copy of the request is on file with the minutes.*

Agenda Item 7A, Mr. Stec said, was a referral from the Public Works Committee, Parks, Recreation & Railroad, requesting a amendment to the 2008 County Budget to increase estimated revenues and appropriations in the amount of \$18,712 to reflect receipt of a 30% payment of State snowmobile grant funds.

Motion was made by Mr. Merlino, seconded by Mr. Bentley and carried unanimously to approve Item 7A as outlined above. *A copy of the request is on file with the minutes.*

Mr. Stec noted that Agenda Items 8A and 8B consisted of referrals from the Tourism Committee. Item 8A, he said, was a request to amend the 2008 County Budget to increase estimated revenues and appropriations in the amount

of \$23,370 to reflect receipt of revenues received for the 2009 Warren County Travel Guide. Mr. Stec added that Item 8B was a request to amend the 2008 County Budget to increase estimated revenues and appropriations in the amount of \$2,970 to reflect receipt of revenues received for the 2009 Warren County Group Tour Planner.

Motion was made by Mr. Tessier, seconded by Mr. Belden and carried unanimously to approve Items 8A and 8B as outlined above. *Copies of both requests to amend the County Budget are on file with the minutes.*

Mr. Stec stated that Agenda Item 9A was a referral from the Support Services Committee, Purchasing, requesting a transfer of funds in the amount of \$2,500 to fund unexpected increases in the 2008 Advertising Budget. He noted that the suggested source of funding was a transfer from the Contingent Fund.

Motion was made by Mr. Belden, seconded by Mr. Kenny and carried unanimously to approve Item 9A as outlined above. *A copy of the request is on file with the minutes.*

Mr. Stec said that Agenda Item 10 consisted of a request from the County Treasurer to add The Adirondack Trust Company to the list of official depositories for Warren County, thereby amending Resolution No. 3 of 2008.

Motion was made by Mr. Kenny, seconded by Mr. Belden and carried unanimously to approve Item 10 as outlined above and the necessary resolution was approved for the September 19th Board meeting. *A copy of the request is on file with the minutes.*

Agenda Item 11, Mr. Stec advised, included a request from the County Attorney to amend Resolution No. 461 of 2008, which authorized an agreement with Integrys Energy Services of New York, Inc. (IESNY), to change the effective dates of the contract.

When questioned what the contract with IESNY was for, Hal Payne, Commissioner of Administrative & Fiscal Services, explained that IESNY was the preferred supplier for electricity as outlined in the MEGA (Municipal Electric Gas Alliance) agreement recently developed through NYSAC (New York State Association of Counties). Mr. Payne further explained that by purchasing electricity through this agreement they were able to partner with other Counties to reduce utility costs through bulk purchases.

Motion was made by Mr. VanNess, seconded by Mr. Bentley and carried unanimously to approve Item 11 as outlined above and the necessary resolution was authorized for the September 19th Board meeting.

Moving to Agenda Item 12, Mr. Stec announced that Chairman Monroe would like to address the Committee with respect to discussion on the development of a management plan for the Gaslight Village property.

Chairman Monroe apprised that during previous discussion with the 3E's (Environment Groups), an agreement had been made for the County to develop a management plan for the Gaslight Village property within three months of its acquisition; he added that it had now been close to six months since the purchase and they had yet to develop the management plan. Chairman Monroe said that he felt they should begin developing the plan as promised and a public hearing should be held on the matter as there seemed to be a lot of public interest in the property.

Mr. Kenny stated his feeling that it was important to move forward in developing the management plan as the Occupancy Tax Coordination Committee had already been contacted by two different groups seeking to use the property for events scheduled in 2009. He noted that until the management plan was created, they would have no way of knowing if events could be planned on the site for 2009.

Mr. Tessier advised that the Town of Lake George planned to make improvements to the buildings on the property at no cost to the County for use in future events. Mr. VanNess added that the matter had been discussed at the County Facilities Committee meeting held earlier that day and a resolution had been approved to authorize the Town of Lake George to proceed with work on the site, at no cost to the County, contingent upon review and approval of the work plans. He noted that a resolution to this effect would be presented at the September Board meeting.

Discussion ensued with respect to the matter.

Chairman Monroe stated that he felt prior to beginning any work on the buildings located of the property they had a responsibility to voice those plans at a meeting of the Management Committee for the Gaslight Village property as that was why the Committee was established. Mr. Belden agreed and added that a meeting should be called to discuss this matter prior to taking any action. *Note: Subsequent to the meeting the County Attorney's Office was request to schedule a meeting of the Management Committee to discuss plans for retention and rehabilitation of the buildings located on the Gaslight Village property.*

Concluding the agenda review, Mr. Stec advised that Item 13 included a request for Finance Committee action on the following items approved by the Personnel Committee: Item Nos. 1A, 2A and 5A.

Motion was made by Mr. VanNess, seconded by Mr. Belden and carried unanimously to approve Item 13 as outlined above.

Mr. VanNess apprised that several members of the Board of Supervisors had received copies of a letter forwarded by Gary Scidmore, EMS (Emergency Medical Services) Coordinator, seeking salary increases for himself and his Deputies. He said that he had contacted Mr. Scidmore to advise that the County would be unable to grant the requested increases for 2009, due to Budget constraints, and that Mr. Scidmore should contact the Board in 2010 when financial conditions might be more conducive.

Regarding the fees charged for parking on the Gaslight Village Property, Chairman Monroe suggested that the County should take over the management of the collections to be sure that all revenues received were being recorded accurately.

Mr. Belden noted that the site had been used for parking during the car show held recently and he asked if the County had received any proceeds from the parking fees collected and Chairman Monroe replied in the negative.

As there was no further business to come before the Finance Committee, on motion made by Mr. Belden and seconded by Mr. Bentley, Mr. Stec adjourned the meeting at 11:21 a.m.

Respectfully submitted,
Amanda Allen, Sr. Legislative Office Specialist

