

WARREN COUNTY BOARD OF SUPERVISORS

COMMITTEE: **FINANCE**

DATE: **FEBRUARY 11, 2009**

Committee Members Present:

Supervisors Stec
 Belden
 Bentley
 Tessier
 Taylor
 VanNess
 Kenny
 Merlino

Others Present:

Fred Monroe, Chairman
Hal Payne, Commissioner of
Administrative & Fiscal Services
Joan Sady, Clerk of the Board
Paul Dusek, County Attorney
JoAnn McKinstry, Deputy Commissioner of
Administrative & Fiscal Services
Kevin Geraghty, Budget Officer
Supervisor Champagne
Supervisor Pitkin
Supervisor Strainer
Supervisor Thomas
Frank O'Keefe, County Treasurer
Richard Murphy, Deputy Commissioner of
Fiscal Services
Rob Lynch, Deputy Treasurer
Todd Lunt, Director, Human Resources
*Please see attached sign-in sheet for others
present*
Nicole Livingston, Deputy Clerk

Committee Member Absent:

Supervisor O'Connor

Mr. Stec called the meeting to order at 10:00 a.m.

Motion was made by Mr. Bentley, seconded by Mr. Belden and carried unanimously to approve the minutes of the January 12, 2009 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 Agenda review, Mr. Stec advised Item 1 were requests for Transfer of Funds which were attached for Committee approval. He noted that Supervisory Committee approval had been obtained as necessary.

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

Mr. Stec stated Item 2 was a referral from the Community College Committee, requesting authorization in support of the Adirondack Community College Capital Improvement Plan in the amount of \$1,269,015; contingent upon receipt of 50% State

funding and utilizing \$634,507.50 of capital chargebacks to reimburse the sponsoring counties in the ratio of 70% for Warren County and 30% for Washington County.

Motion was made by Mr. Taylor, seconded by Mr. Bentley and carried unanimously to approve item 2 as outlined above, and the necessary resolution was authorized for the next board meeting.

Mr. Stec remarked that Item 3 was a referral from the County Facilities Committee, requesting authorization for the County Treasurer to appropriate funds from DM909.00 Fund Balance to DM1910 418-Machinery Fund-Unallocated Insurance-General Liability, in the amount of \$12,000.

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

Mr. Stec expounded Items 4A through D were referrals from the County Treasurer. Item 4A, he said, was a request for a new contract with Systems East, Inc. for software support and maintenance for tax collection system, for a lump sum amount of \$14,004, said funds to be expended from A.1325 422 County Treasurer-Repair/Maintenance-Equipment.

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

Mr. Stec apprised Item 4B was a request from Richard H. Dinolfo, CPA, to address the Committee regarding the 2007 audit as performed by Dorfman-Robbie, P.C.

Mr. Dinolfo said he had gotten the impression that the Committee members had not seen the results of the 2007 Single Audit Report and he wished to review the report with them. He suggested that the representative from the Bonadio Group review the audit first and he would provide his comments after.

Alan Walther, of the Bonadio Group, confirmed that his firm had prepared the 2007 Single Audit and it was presented to the Finance Committee on September 10, 2008. He noted that this was the first time in over twenty years that he had another CPA comment on the Report prepared by his firm.

Mr. Dinolfo reviewed the format of the Report and what it consisted of. He referred to the financial statements included in the Report which required an independent auditors opinion on those statements. He asked Frank O'Keefe, County Treasurer, what the first year was that the County had the GASB 34 Statements and Mr. O'Keefe replied either

2003 or 2004. Mr. Dinolfo said that the earliest year that these statements were released as required by GASB 34 was December 31, 2003. He commented that because these financial statements had only been available since 2003, there was no CPA firm in America that could have ten years experience auditing such statements. He said that the requirement in the RFP (Request for Proposal) that a firm have ten years of experience with single audits was not possible to meet. He reminded the Committee that his proposal had been the lowest bid in response to the RFP; however, he said, it had been rejected. Mr. Dinolfo announced he was withdrawing his proposal from consideration for the Single Audit for Warren County. He added that he felt the process by which his proposal was excluded was too casual; for example, he noted, he was never contacted by the County, nor were his references until he started questioning why his proposal had been rejected. He suggested that the Committee re-evaluate the process in which bids were awarded and rejected for the future.

Mr. Stec thanked Mr. Dinolfo and commended him for his directness and forthrightness. He added that Mr. Dinolfo's characterization of the process of the County as casual was being generous. He extended his regret to Mr. Dinolfo that the Committee had not been more diligent in the process from the beginning.

Mr. VanNess expounded on January 12, 2009, he had asked the question as to whether or not the requirements in the RFP had changed over the years and he was advised that they had not; however, he noted, two weeks later, he was told that the requirements had been amended in the RFP. Mr. VanNess remarked that he did his own research and had requested the RFP from 2005 and the current RFP from the Purchasing Agent. After reviewing both, he stated, there was a significant difference in the qualification requirement portions of the RFP's. Mr. Merlino said he had done the same research as Mr. VanNess and his findings were the same.

Mr. Kenny apprised that he too had reviewed the current RFP and the past RFP and he had asked the Purchasing Agent if it was a common occurrence for the County to continually update RFP's to better insulate the County, to which the Purchasing Agent replied affirmatively. He added that one consistent qualification included throughout the RFP's was the requirement of a peer review, which was one thing Mr. Dinolfo's firm did not have.

Discussion continued regarding the RFP's for the Single Audit for Warren County. Mr. Geraghty suggested members of the Committee visit the State Comptroller's website which outlined the recommended qualifications for RFP's for single audits.

Mr. VanNess commented that he believed that the Bonadio Group had agreed to contract with the County for one year as opposed to three years for the single audit and he questioned if that was correct. Mr. Stec interjected that the issue of a one year contract was the next item for discussion on the Agenda.

Continuing the Agenda review, Mr. Stec apprised Item 4C was discussion regarding the RFP for the Annual Single Audit for the Treasurer's Office. Mr. Stec noted that Mr. VanNess' statements were correct in that the Bonadio Group had agreed to a one year contract for the Annual Single Audit. He added that the Board of Supervisors had requested that only a one year contract be awarded in order to revise the RFP for future audits.

Motion was made by Mr. VanNess, seconded by Mr. Taylor and carried unanimously to award a one year contract with Bonadio & Co., LLP for the 2008 Annual Single Audit, for a lump sum amount of \$41,000, said funds to be expended from A.1325 470 County Treasurer-Contract; and authorizing a new RFP to be developed for the 2009, 2010 and 2011 audits. The necessary resolution was authorized for the next board meeting.

Mr. Dinolfo asked Paul Dusek, County Attorney, for his opinion on the terms sublet and subcontract with regard to the current RFP. Mr. Dusek responded that subcontract, in the general sense, meant that if an individual was awarded the work and in turn transferred the work that they had agreed to do to someone else through a contract agreement. Sublet, he continued, was a similar term that could be used to mean the same thing. He added that he considered subletting more in the line of leasing employees or leasing premises. Mr. Dinolfo questioned if there was a difference between contracting out and contracting with someone. Mr. Dusek apprised it would depend on how it was used in the contract in question; however, he said, just given those terms, he stated contracting out would mean the work was being transferred to another entity to do. He noted that contracting with would mean there could be a joint relationship involved. Mr. Dinolfo referred specifically to the portion of the RFP that said that the audit of the Westmount Health Facility would be done by other auditors but the statements would be included with the audit report, and he asked if that was considered contracting out. Mr. Dusek replied that in that situation, the County was relying on the other auditors report and it would be the County contracting for that service. Mr. Dinolfo reviewed the individuals that he would have contracted with to assist him with the audit. In conclusion, Mr. Dinolfo thanked the Committee members for their time and consideration.

Mr. Stec returned to the Agenda review, and noted Item 4D was a review of the requested cash flow analyses.

Rob Lynch, Deputy Treasurer, apprised that the Treasurer's Office did have a history of established cash flow procedures which was used to monitor the cash available for investment, all of which were well documented and well received by the State Comptroller's Office. He stated that the Office used those procedures to monitor the amount of cash available for operations, which led to a memo sent to the Board of Supervisors informing them in December of a potential deficit of cash in the amount

of \$500,000 by the end of January 2009. Mr. Lynch advised the Office recently established new procedures to improve the reporting of cash flow projections by requiring departments to report to the Treasurer on a monthly basis their projected cash flow over three month intervals. He added that it was important to have departments involved with this because the Treasurer's Office did not have knowledge of when invoices were received, when they were expected to be paid or when they expected to receive revenues. He concluded that the Office had attempted to implement this new procedure; however, he said, due to various complaints, they had been advised that the new procedure should be put on hold.

Chairman Monroe clarified that there were Department Heads that were concerned about this procedure and therefore, he had requested that this issue be included on the Agenda for discussion. He explained that the Board of Supervisors wanted to be sure that the Treasurer's Office had the information that was needed; however, he said, they did not want to over-burden Department Heads if the information was available in some other manner. Mr. Lynch replied the Treasurer's Office was only requesting the report from departments once a month. Chairman Monroe interjected that it would be difficult for the larger departments to provide such information monthly.

Discussion ensued. Mr. O'Keefe suggested that a meeting be held with his Department, Hal Payne, Commissioner of Administrative & Fiscal Services and the Budget Officer to determine exactly what was being sought in a report and in order for his Office to provide a definitive report for the Finance Committee. Chairman Monroe also commented that meetings should be held prior to the Finance Committee meetings regarding the cash flow status.

Mr. Lynch reviewed a cash flow spread sheet that had been emailed to the Committee members in detail, a copy of which is on file with the minutes. Mr. Geraghty requested Mr. Lynch to date all the reports in the future and Mr. Lynch acknowledged the request. It was the consensus of the Committee that an informal meeting with the Treasurer's Office, Mr. Payne, Mr. Geraghty, Chairman Monroe, Mr. Stec and Mr. Dusek, as well as Department Heads of larger departments such as Health Services and the Department of Public Works, be held to further discuss the request of Department Heads to provide monthly reports of projected cash flow.

Mr. Stec advised there was an additional item not included on the Agenda that required discussion with the Treasurer's Office. He explained that a question was raised from the IRS (Internal Revenue Service) to the County concerning DPW meal allowance, personal use of vehicles and taxation. He requested Mr. Lynch to further inform the Committee on this matter. Mr. Lynch stated that the IRS had conducted an audit for 2006 which was when this issue was brought to their attention. He added that the IRS had submitted to the County a \$10,000 assessment fee. He noted that the issues that

arose during that audit have since been resolved through implemented administrative procedures.

Mr. O'Keefe announced that the RFP proposals for consulting services and analysis of Cash Flow and Fund Balance would be opened tomorrow and he advised he had contacted the New York State Comptroller's Office who had offered to perform such services at no cost to the County. He asked the Committee to take that offer into consideration.

Returning to the Agenda review, Mr. Stec apprised Items 5A and B were referrals from the Criminal Justice Committee. He noted that Item 5A was referred from the Probation Department and was a request to amend the 2009 County budget to increase estimated revenues and appropriations in the amount of \$1,000 to reflect receipt of funds from the Warren/Washington Victim Impact Panel for Warren County Juvenile Treatment Court. He added that Item 5B was referred by the Public Defender requesting authorization for a transfer of funds from Contingent Fund A.1990 469 to A.1171 426 Public Defender-Subscriptions due to an error in the 2009 Departmental request submission.

Motion was made by Mr. Kenny, seconded by Mr. Belden and carried unanimously to approve Items 5A and B as outlined above, and the necessary resolutions were authorized for the next board meeting.

Mr. Stec stated Items 6A through C were referrals from the Public Safety Committee. He said Items 6A and B were referred from the Sheriff & Communications and 6A was a request to amend the 2009 County budget to increase estimated revenues and appropriations in the amount of \$99,529 to reflect receipt of the following 2009 grant funds: Buckle Up NY; Child Passenger Safety; Law Enforcement Terrorism Prevention Program; Motorcycle Safety Initiative; and Selective Traffic Enforcement Program.

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

Mr. Stec continued and noted Item 6B was a request to authorize the County Treasurer to appropriate 2009 salaries for the Police Benevolent Association to budget codes.

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

Mr. Stec commented that Item 6C was referred from the Office of Emergency Services, requesting to amend the 2009 County budget to increase estimated revenues and appropriations in the amount of \$7,000 to increase the 2009 Budget.

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

Mr. Stec advised Items 7A and B were referrals from the Public Works Committee. He stated that Item 7A was referred from the Airport, and was a request to amend Resolution No. 229 of 2008 to include New York State Department of Transportation (NYS DOT) and also to authorize the Chairman to execute Airport Capital Project Agreements for the Tra-Tom reimbursement, snow removal equipment and Obstruction Study update.

Motion was made by Mr. Tessier, seconded by Mr. Kenny and carried unanimously to approve Item 7A as outlined above, and the necessary resolution was authorized for the next board meeting.

Mr. Stec added that Item 7B was referred from the Parks, Recreation & Railroad, and was a request to amend the 2009 County budget to increase estimated revenues and appropriations in the amount of \$74,900 to reflect receipt of 70% of Snowmobile grant funds.

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

Mr. Stec expounded Items 8A and B were referrals from the Social Services Committee. Item 8A, he said, was a request to authorize the County Treasurer to appropriate funds from the Unappropriated General Fund Surplus to A.6129 470 State Training -Contracts, in the amount of \$64,315 to cover the retroactive State Training Charges for 2002 and 2007.

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

Mr. Stec noted Item 8B was a request to amend the 2009 County budget to increase estimated revenues and appropriations in the amount of \$64,436 to increase HEAP Administrative funds to cover overtime, salaries and equipment.

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

Continuing the Agenda review, Mr. Stec stated that Items 9A and B were referrals from the Soil & Water Conservation District. Item 9A, he said, was a request to ratify the actions of the Director of Soil & Water Conservation District with respect to the execution of an agreement with Paragon Civil Engineering and authorizing Change Order No. 1 for the inspection of the new septic system for a total amount of \$1,062.50, with the source of funding to be expended from Capital Project No. H285.9550 280-Soil & Water Conservation Building.

Motion was made by Mr. Belden, seconded by Mr. Taylor and carried unanimously to approve Item 9A as outlined above, and the necessary resolution was authorized for the next board meeting.

Mr. Stec added that Item 9B was a request for a new contract with A.E. Knapp & Associates, LLC for Flood Plain Management Services for the new Soil & Water Conservation District Building, for a total amount not to exceed \$2,500, with the source of funding to be expended from Capital Project No. H285.9550 280-Soil & Water Conservation Building.

Mr. Payne announced that the Soil & Water Building project was still \$41,000 under budget.

Motion was made by Mr. Belden, seconded by Mr. Taylor and carried unanimously to approve Item 9B as outlined above, and the necessary resolution was authorized for the next board meeting.

Mr. Stec apprised Item 10 was a request to authorize the Chairman of the Board to execute correspondence to DOT GOV Domain Registration in order for Warren County to obtain the website warrencountyny.gov for an annual domain name registration fee in the amount of \$125, as per the attached.

Motion was made by Mr. Kenny, seconded by Mr. VanNess and carried unanimously to approve Item 10 as outlined above, and the necessary resolution was authorized for the next board meeting.

Mr. Stec reported that Item 11 was a request from Chairman Monroe to address the Committee regarding the County becoming a partner with the Adirondack Association of Towns and Villages (AATV), Adirondack North Country Association (ANCA), and the Towns of Chester and Arietta to sponsor the Adirondack Regional Assessment Project.

Chairman Monroe explained these groups had received a grant from the State under the Qualities Communities Program in the amount of \$92,800, which required a \$22,000 match. He noted there was a shortage of approximately \$6,000 to meet the match. He recommended that Warren County provide \$1,500 toward the project to assist in matching the grant funds.

Motion was made by Mr. Belden, seconded by Mr. Bentley and carried unanimously to authorize the County to partner with the Adirondack Association of Towns and Villages (AATV), Adirondack North Country Association (ANCA), and the Towns of Chester and Arietta to sponsor the Adirondack Regional Assessment Project, in the amount of \$1,500, said funds to be expended from A.1010 470 Legislative Board-Contracts. The necessary resolution was authorized for the next board meeting.

Mr. Stec said Item 12 was a request from Paul Dusek, County Attorney, to address the Committee regarding authorization of settlement relative to pharmaceutical litigation. Mr. Dusek advised an executive session would be necessary. Mr. Stec recommended that prior to the executive session, the Committee conclude the Agenda review.

Mr. Stec referred to Item 13 and explained Finance Committee action was required on the following items as approved by the Personnel Committee: Items 1A, 5C, 5E, 5F, 5H and 5J.

Motion was made by Mr. Kenny, seconded by Mr. VanNess and carried unanimously to approve Item 13 as presented.

Mr. Belden stated he had an item for discussion prior to the executive session. He reported that the County should review the mileage reimbursement rate given the difficult economic times. He suggested that the reimbursement rate be reduced to .45 cents per mile.

Motion was made by Mr. Belden and seconded by Mr. Kenny that the mileage reimbursement rate be reduced from the current rate of .55 cents to .45 cents per mile.

Mr. Taylor said he felt the County should continue to follow the rates as established by the IRS. Mr. Bentley added the Supervisors had waived their raises for 2009.

Motion was made by Mr. Bentley, seconded by Mr. VanNess and carried by majority vote to table the request to reduce the mileage rate, with Messrs. Belden and Kenny voting in opposition.

Mr. Payne commented William Montfort, Commissioner of Board of Elections, had a few items to discuss with the Committee prior to the executive session. Mr. Montfort informed the Committee that the Special Election would be held March 31, 2009;

therefore, necessitating the requests he would be presenting. He requested a new contract with Fort Orange Press Inc. for the printing of election supplies, for an amount not to exceed \$13,395, said funds to be expended from A.1450 439 Board of Elections-Misc. Fees and Expenses.

Mr. Montfort also requested a new contract with Mullen Brothers, Inc. for pick up, delivery and return of ballot marking devices, for an amount not to exceed \$3,987, said funds to be expended from A.1450 439 Board of Elections-Misc. Fees and Expenses.

Mr. Montfort noted the third request was to authorize intermunicipal agreements with the City and towns to secure polling sites, poll site setup, storage and delivery for all elections as per the County Attorney contract.

Motion was made by Mr. Bentley, seconded by Mr. Belden and carried unanimously to approve the requests as outlined above, and the necessary resolutions were authorized for the next board meeting.

Chairman Monroe remarked he had a few matters he would like to discuss with the Committee. The first, he said, was he had met with Bovis Lend Lease representatives in connection with the Human Services Building and the good news was that the project was remaining substantially under budget. He noted a proposal would be received in the near future from Bovis requesting to continue their services and to move forward with the hazardous abatement in the former jail, the demolition of the Social Services Building, as well as a proposal for a lease purchase. He said he was just providing an informational update for the Committee and that no action was necessary until the written proposal from Bovis was received.

Discussion ensued concerning the abatement of the former jail and the need for additional court space.

Chairman Monroe advised there was a proposal from The Lake George Association regarding the Gaslight Village property, in which they would include the demolition of both buildings located on the property in the RFP's with no obligation on the part of the County to accept it. He noted this would determine the amount to demolish the buildings and could possibly allow for the demolition to be completed through grant funding. He asked the Supervisors to consider such proposal and added that he did not foresee a problem including that in the RFP and in the grant. Mr. Tessier reminded the Committee members that the property needed to be ready by this spring for upcoming events. Mr. VanNess stated that they had been informed that the Town of Lake George had performed work on the Cavalcade of Cars building and spent money to do such refurbishment. Mr. Belden commented that the County should keep the options open as to what may be done with the buildings.

Mr. Stec announced that Item 12 was a request from Paul Dusek, County Attorney, to address the Committee regarding the authorization of settlement relative to pharmaceutical litigation. Mr. Dusek advised an executive session would be necessary to discuss litigation.

Motion was made by Mr. VanNess, seconded by Mr. Belden and carried unanimously that executive session be declared pursuant to Section 105 (d) of the Public Officers Law.

Executive session was declared from 11:55 a.m. to 12:01 p.m.

Committee reconvened. Pursuant to the executive session, motion was made by Mr. VanNess, seconded by Mr. Belden and carried unanimously to authorize the County Attorney to settle the list of Pharmaceutical litigation. The necessary resolution was authorized for the next board meeting.

Prior to adjournment, Mr. Payne announced he had received an overview of the proposed Stimulus Plan from NYSAC (New York State Association of Counties). He advised that the Plan was expected to be passed and signed on Monday, February 16, 2009. He noted that New York States part of the Stimulus was \$13 billion, as well as \$10 billion in FMAP (Federal Medical Assistance Percentage) money which was part of the Medicaid reimbursement from the Federal government. He provided a tentative breakdown of how the funds were to be allocated from the proposed Plan.

There being no further business to come before the Committee, on motion made by Mr. Belden and seconded by Mr. Kenny, Mr. Stec adjourned the meeting at 12:08 p.m.

Respectfully submitted,

Nicole Livingston, Deputy Clerk