

WARREN COUNTY BOARD OF SUPERVISORS

COMMITTEE: FINANCE

DATE: JUNE 11, 2014

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COMMITTEE MEMBERS PRESENT:

SUPERVISORS CONOVER  
TAYLOR  
SOKOL  
MONROE  
WOOD  
KENNY  
MERLINO  
FRASIER  
DICKINSON

OTHERS PRESENT:

KEVIN GERAGHTY, CHAIRMAN OF THE BOARD  
PAUL DUSEK, COUNTY ADMINISTRATOR  
MARTIN AUFFREDOU, COUNTY ATTORNEY  
JOAN SADY, CLERK OF THE BOARD  
FRANK THOMAS, BUDGET OFFICER  
SUPERVISORS BEATY  
BROCK  
GIRARD  
SEEBER  
STROUGH  
WESTCOTT  
KATE HOGAN, DISTRICT ATTORNEY  
WAYNE LAMOTHE, COUNTY PLANNER  
MIKE SWAN, TREASURER  
BUD YORK, SHERIFF  
DON LEHMAN, *THE POST STAR*  
AMANDA ALLEN, DEPUTY CLERK OF THE BOARD

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Mr. Conover called the meeting of the Finance Committee to order at 9:58 a.m.

Motion was made by Mrs. Frasier, seconded by Ms. Wood and carried unanimously to approve the minutes from the prior 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 with Section III, Action Items, Mr. Conover advised Item 1 consisted of a request for transfers of funds as attached for Committee approval.

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

Mr. Conover announced Agenda Item 2 consisted of a request from the County Treasurer to reclassify the existing Payroll Clerk position (*Grade 7, Annual Base Salary \$29,612 - Current Annual Salary \$34,656 with longevity*) to a Payroll Technician (*Grade 10/Step 7, Annual Base Salary \$38,754*), effective June 23, 2014, and amend the Table of Organization accordingly. He noted that the employee currently filling the Payroll Clerk position had submitted a letter of resignation; therefore, he said, effective July 1, 2014 the base salary would revert to \$33,166. Mr. Conover apprised that this item had been approved at the Personnel Committee Meeting held earlier that morning (*Personnel Agenda Item 2*).

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

Continuing to Agenda Item 3, Mr. Conover addressed a referral from the Community College Committee requesting to approve the tentative SUNY Adirondack (*Adirondack Community College*) operating budget for Fiscal Year 2014-2015 and provide for the necessary public hearing.

Mr. Dickinson noted that he had attended the recent joint meeting of the Community College and Finance Committees during which SUNY Adirondack representatives had done a stellar job of

presenting the tentative budget. He commented that the presentation had been both informative and thorough, explaining how all of the budgeted funding would be spent. Mr. Kenny stated that he felt the 2% budget increase proposed was very responsible and he was supportive of the budget proposal. Mr. Monroe interjected that the budget included a 2% increase overall, but noted that the Warren County contribution actually reflected a decrease from the prior year.

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

Mr. Conover advised Agenda Item 4 consisted of several referrals from the Criminal Justice Committee. He noted that Item 4A pertained to a request from the Assigned Counsel Department to amend the County Budget in the amount of \$257 to reflect the receipt of funds from the New York State Office of Indigent Legal Services.

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

Items 4B-D, Mr. Conover advised, included requests from the District Attorney's Office, and he proceeded to outline them, as follows:

- 4B) Request to amend the County Budget in the amount of \$4,000 to reflect the receipt of funds from the Federal Bureau of Investigation for payment towards a confidential investigation.

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

- 4C) Request to determine a source of funding for \$12,578.97 in expenses related to the State mandated increase in the District Attorney's salary to \$146,400 as of April 1, 2013 and to \$152,500 as of April 1, 2014, and to amend the County Budget accordingly. The State has provided \$6,100 in funding for these increases through the revenues received for the District Attorney salary, the Finance Committee is being asked to determine a source of funding for the remaining \$12,578.97.

Mr. Dickinson advised this issue had been discussed briefly during the preceding Personnel Committee meeting. He pointed out that the salary increases for both 2013 and 2014 were \$6,100, equating to a combined total of \$12,200 for both years, which led him to question whether the \$12,578.97 total requested was correct, as well as how the \$6,100 already received from the State had been applied.

Kate Hogan, District Attorney, explained that these incremental increases were mandated by the State of New York and were completely subsidized by State funding. She referred to an email she had received indicating that increased funding in the amount of \$72,189 was being allocated to her Office through the State Budget, a portion of which was intended to cover her salary increase; *a copy of the email is on file with the meeting minutes*. In response to an inquiry as to when these State funds would be received, Ms. Hogan replied that she was unsure, but confirmed, once again, that every State mandated salary increase for her position was covered by State funding.

Mr. Dickinson questioned how the \$12,578.97 figure had been determined and Ms. Hogan advised that the amount had been provided to her by the Treasurer's Office and said she could not explain how it was derived. Mike Swan, County Treasurer, advised this amount represented the difference between the 2013 and 2014 State mandated salaries and the total included in the 2013 and 2014 Budgets. Mr. Conover clarified that this was a reimbursement situation where they would need to transfer monies from either the contingent or surplus fund in order to cover the expense while awaiting reimbursing funds from the State of New York.

When asked why the 2013 salary increase had not been included in the County Budget, Ms. Hogan advised that she had been preparing for a highly publicized trial and had forgotten to bring the request forward; she added that when she had received notification of State mandates relating to the 2014 salary amount she had realized her error. Mr. Swan advised that a budget amendment would be necessary to appropriately adjust the budget to include funding for the unanticipated expense. With respect to Mr. Dickinson's question regarding the amount requested, Mr. Conover opined that the higher figure likely included retirement and benefit costs. Mr. Conover then suggested the most reasonable funding source for the expense would be the contingent fund and he noted that this should be a budget neutral transaction as reimbursing State funding was anticipated.

Following further discussion, motion was made by Mr. Dickinson, seconded by Mr. Merlino and carried unanimously to approve the request to amend the County Budget, as outlined above, with the source of funding to be the contingent fund, and the necessary resolution was authorized for the June 20<sup>th</sup> Board Meeting.

- 4D) Request to appropriate funds in the amount of \$3,562.50 from the Sheriff's portion of Budget Code A.886.00, Reserve, Forfeitures Crime, to the District Attorney's share of this account.

Ms. Hogan explained the FBI (*Federal Bureau of Investigation*) and the Warren County Sheriff's Office contributed to the Budget Code A.886.00 to help pay for confidential investigations. She added that in order to remit payment on an invoice for an ongoing confidential investigation, the aforementioned transfer of funds was necessary.

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

Mr. Conover explained Item 4E included a request from the Public Defender's Office to amend the County Budget in the amount of \$72,667.42 to reflect the receipt of 2014 funding from the New York State Office of Indigent Legal Services, as well as to carry over unused funding from 2013, under Contract No. C000252.

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

Moving on to Item 5, Mr. Conover outlined two referrals from the Economic Growth & Development Committee, *Planning & Community Development*, as follows:

- 5A) Request to establish Capital Project No. H349.9550 280, First Wilderness 2013, in the amount of \$1,107,000 with the source of funding to be a grant award from the Local Waterfront Revitalization Program.

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

- 5B) Request to determine a source of funding for the creation of a temporary GIS Technician position at an hourly rate of \$15 for a total of approximately 200 hours (estimated cost of \$3,554), as approved by the Personnel Committee.

Motion was made by Ms. Wood, seconded by Mr. Merlino and carried unanimously to identify the contingent fund as the source of funding for the above referenced expense and the necessary resolution was authorized for the June 20<sup>th</sup> Board Meeting.

Mr. Conover announced Agenda Item 6 consisted of a referral from the Gaslight Village Ad Hoc Committee requesting to appropriate funds from the Occ Tax Reserve to pay the County's 62% share of the audit cost incurred by the Village of Lake George ( $\$12,000 \times 62\% = \$7,440$ ).

Mr. Monroe explained that the County had an agreement with the Village of Lake George indicating that expenses related to the Wood Park Project would be paid according to the percentage of ownership. He further explained that the Village had been subject to an audit due to their status as lead agency for a grant application submitted for the Wood Park project. Mr. Monroe said he had assumed that because the audit had been grant related, the expense would have been eligible for grant reimbursement; however, he said, this had not been the case. He commented that the Gaslight Village Ad Hoc Committee had determined the best source of funding for the County share of the expense would be from the Occupancy Tax Reserve.

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

Proceeding to Agenda Item 7, Mr. Conover outlined three referrals from the Human Services Committee, *Employment & Training Administration*, as follows:

- 7A) Request to amend the County Budget in the amount of \$76,514 to reflect the receipt of State grant funding to administer the Summer Youth Employment Program.
- 7B) Request to amend the County Budget in the amount of \$4,531 to reflect the receipt of Federal funding as reimbursement for the training of seven dislocated workers under the Federal Trade Adjustment Act.
- 7C) Request to amend the County Budget in the amount of \$763,654 to reflect the receipt of the annual allocation of Federal funding for the Workforce Investment Act program.

Motion was made by Ms. Wood, seconded by Mr. Merlino and carried unanimously to approve Items 7A-C, as outlined above, and the necessary resolutions were authorized for the June 20<sup>th</sup> Board Meeting.

Mr. Conover explained Agenda Item 8 included a referral from the Public Works Committee, *DPW*, requesting to amend the County Budget in the amount of \$141,999.04 to reflect the receipt of additional 2014 CHIPS (*Consolidated Highway Improvement Program*) funding from the State of New York.

Motion was made by Mr. Merlino and seconded by Ms. Wood to approve the request.

Mr. Dickinson reminded the Committee that earlier in the year the Board had voted in favor of contributing an additional \$1 million to the DPW budget to expand the road construction project schedule for 2014 and he said he was a bit disappointed that this amount was not reduced when the additional CHIPS funding was received. Mr. Kenny agreed and suggested that this request be referred to the Budget Committee to determine whether an offsetting reduction to the additional amount contributed to the DPW budget should be made. Mr. Conover commented that this suggestion had been made at the Public Works Committee meeting, but had not been acted upon. Mr. Taylor said that when the additional \$1 million was contributed to the road fund, they had believed this was the minimum needed to sustain the County's highway infrastructure and he said that given the deteriorating road conditions, it only made sense to use this "found" money to make additional repairs. Mr. Dickinson said he was not arguing the value of patching pot holes in County roads, but pointed out that the County was facing many other unanticipated expenses in the coming year. He noted that the Committee had initially entertained a request to contribute an additional \$1.5 million to the DPW budget, but had subsequently decided that figure was overzealous and trimmed it back to \$1 million; he added that he truly believed the additional \$1 million provided for the DPW budget should be reduced by the amount of extra CHIPS funding received.

Mr. Monroe stated that the County faced multi-million dollar construction costs to meet the highway infrastructure repair needs and the funds included in the DPW budget would not come close to resolving the them. He noted that the work scheduled was far more than patching pot holes and he advised some of the projects scheduled included full-depth reconstruction. Mr. Monroe commented that if they continued to allow the road conditions to deteriorate they would be paying more in the future to make repairs. Mr. Conover said he thought that this was the reason the additional \$1 million had been contributed to the DPW budget and Mr. Monroe responded that although the additional money would help, it was not enough to complete all of the highway work that needed to be done.

Ms. Wood noted that road projects had been delayed for the past five years due to budgetary constraints and the County's roads were now in serious need of repair. She continued that the County's highways were something that all taxpayers used and the longer the road work was delayed, the more damage was being done to taxpayer vehicles, which the County was responsible for repairing. Additionally, Ms. Wood stated that the costs of asphalt and other repair materials were only increasing, so the longer the work was delayed the higher the expense to the taxpayers of Warren County would be, which was not right in her opinion. She commented that the County had not anticipated the additional CHIPS funding, but was pleased to receive it. Ms. Wood referred to information provided by Jeffery Tennyson, Superintendent of Public Works, which indicated the work to be completed consisted of not only repairs, but serious re-paving and construction work, which they had felt was valid at that time. She concluded that she felt they should leave the budget as it was and be thankful for the additional CHIPS funding received for further work; she added she was not in favor of referring this to the Budget Committee or reducing the appropriation as, in the overall realm of the County Budget, \$141,999.04 would not fix any of the greater problems the County faced, but would help citizens through improved road conditions. Mr. Merlino stated that Ms. Wood had provided an accurate synopsis of the situation and he agreed that the funding to the DPW budget should not be reduced. Mr. Taylor stated that it was not arguable that one of the main responsibilities of government was to maintain highways and he asked Mr. Conover to call the question on the afore stated motion.

Speaking as the Budget Officer, Mr. Thomas advised that the 2014 DPW budget had been increased by \$350,000 and then they had provided an additional \$1 million, achieving a total increase of \$1.35 million for 2014. He noted that this level of funding would not be available in 2015 and he said he would prefer that the additional funding be reduced so that \$141,999.04 could be returned to the General Fund to help with the 2015 Budget. Mr. Thomas pointed out there was a history of the DPW budget not being fully expended and while there were certainly times when the expense of funds was justified, he felt in this situation it might be best to retain them. Mr. Conover said he agreed with Mr. Thomas that some fiscal caution was appropriate in this situation. Mr. Sokol commented that while he was originally in support of the request, he was beginning to rethink his position based on Mr. Thomas' opinion; he added that he did not see any harm in delaying action and referring the matter to the Budget Committee.

Mr. Conover noted that a motion had already been made to approve the request and Mr. Dusek advised that a motion to table the request would take precedence.

Motion was made by Mr. Dickinson and seconded by Mr. Kenny to table the request to amend the County Budget in the amount of \$141,999.04 to reflect the receipt of additional 2014 CHIPS funding from the State of New York, but the tabling motion failed due to a lack of majority vote with Supervisors Taylor, Monroe, Wood, Merlino and Frasier voting in opposition.

Mr. Conover called for a vote on the motion previously made by Mr. Merlino and seconded by Ms. Wood to amend the County Budget in the amount of \$141,999.04 to reflect the receipt of additional 2014 CHIPS funding from the State of New York and the motion was carried by majority vote with Supervisors Conover, Sokol, Kenny and Dickinson voting in opposition, and the necessary resolution was authorized for the June 20<sup>th</sup> Board Meeting.

Mr. Conover noted that Agenda Item 9 consisted of requests/items to be discussed by the County Administrator, which he asked Mr. Dusek to address.

Before addressing these items, Mr. Dusek apprised of an issue that had not been included on the Agenda, pertaining to a contract the County held with Hess Corporation to serve as preferred supplier for natural gas through the Municipal Electric & Gas Alliance (MEGA). He explained that Hess Corporation was now a subsidiary of Direct Energy Business and had changed their name; Mr. Dusek added that he had reviewed this matter with the County Attorney and verified that this was a legitimate transfer. He advised the County Auditor was having difficulty paying invoices for natural gas purchases because the name of the invoicing company no longer matched the company the County contracted with. Therefore, Mr. Dusek concluded, he was requesting that the contract with Hess Corporation, *authorized by Resolution No. 736 of 2012*, be amended to change the name of the contract holder to Direct Energy Business, under the same terms and conditions of the original contract.

Motion was made by Mr. Dickinson and seconded by Mr. Merlino to amend the contract.

Mr. Monroe questioned whether any consideration had been given to the NYSAC (*New York State Association of Counties*) solar energy initiative. He advised NYSAC had advertised that municipalities could take advantage of savings of up to 20% on their energy costs for the 20-year contract term, but had to act on the offer before June 26<sup>th</sup>. Mr. Dusek responded that the County Facilities Committee continued to discuss the possibility of installing solar energy facilities and Mr. Monroe advised he was aware of this, but said that was different from the NYSAC opportunity. Mr. Dusek advised he was not familiar with the NYSAC initiative, but would check into it. Mr. Dickinson commented that the Town and Village of Lake George had attempted to partner in a similar solar power agreement, but had encountered some kind of legal issue that had prevented it.

Mr. Conover clarified that the current motion was simply to amend the existing contract for natural gas purchases; he called the question and the motion was carried unanimously, thereby authorizing the necessary resolution for the June 20<sup>th</sup> Board Meeting.

With reference to Item 9A, Mr. Dusek advised that the County purchased electricity under a contract with Integrys Energy Services which was secured through MEGA. He handed out two documents from Integrys pertaining to electricity use, copies of which are on file with the meeting minutes. Mr. Dusek advised one of the documents included a box to the top left corner which reflected the delivery rates, as follows:

Delivery Period	Fixed Rate (\$/kWh)
13 months	\$0.09530
19 months	\$0.08885
21 months	\$0.09469
25 months	\$0.09104
37 months	\$0.08914

Mr. Dusek apprised they had two choices available for electricity purchase, either by fixed rate or the index rate which varied depending on the market price, but noted that using a fixed rate was better for budgeting purposes. He said he had a lengthy discussion with an Integrys representative about the rates and learned that even now the rates were somewhat elevated because of the difficult winter the region had experienced which had led to high electricity demands. Mr. Dusek advised there were concerns that if similar conditions were experienced for the upcoming 2014-2015 winter, the rates would be even higher. He pointed out that the second handout included several charts, one of which provided estimated energy curves for 2014, 2015 and 2016. Mr. Dusek advised that deciding upon the term of the next energy contract was somewhat a guessing game as no one knew what the future costs would be. He said he did not have any information to provide relative to the NYSAC solar energy initiative but would research it and provide an update at the June 20<sup>th</sup> Board Meeting. Mr. Dusek

cautioned that regardless of whether the County decided to use solar energy power, they would require a contract for electricity services. He said it was up to the Committee to decide which option was best suited for the County and he noted that hopefully, the upcoming winter would be an easy one which would allow the next electricity contract to be secured at a lower fixed rate. Mr. Dusek affirmed that he had researched whether better rates were available through other companies, and based on the information he had found, he presumed the MEGA arrangement provided the best rate.

A discussion ensued relative to solar power opportunities, following which a motion was made by Mr. Monroe, seconded by Ms. Wood and carried unanimously to renew the contract with Integrys Energy Services of New York, Inc. for a 19 month term commencing July 1, 2014, and the necessary resolution was authorized for the June 20<sup>th</sup> Board Meeting.

Moving on to Item 7B, Mr. Dusek advised of the need to determine a source of funding for the "additional" 2012-13 Westmount IGT (*intergovernmental transfer*) funding of \$480,464. He said the good news was that additional IGT funding was being received; however, he added, the bad news was that they had not known about it when the 2014 County Budget was established and the matching funding had not been budgeted. Mr. Dusek stated that because of the sizeable amount of the expense, the only funding source available was a transfer from the general fund, and he noted that if the transfer was not made, they would not be able to accept the funding.

Mr. Conover questioned whether a report had been prepared to identify the implications of accepting the additional IGT funding and Mrs. Sady advised that information would be presented at the next Health Services Committee meeting.

Motion was made by Mr. Monroe, seconded by Mr. Sokol and carried unanimously to authorize the appropriation of \$480,464 from the general fund to the Westmount Health Facility budget in order to provide the matching IGT funding and the necessary resolution was authorized for the June 20<sup>th</sup> Board Meeting.

Concluding the agenda review, Mr. Conover noted that Finance Committee action was required on the following items as approved by the Personnel Committee: Item Nos. 2-5 and Agenda Addendum Item 1.

Motion was made by Ms. Wood, seconded by Mr. Sokol and carried unanimously to approve the request and the necessary resolutions were authorized for the June 20<sup>th</sup> Board Meeting.

Privilege of the floor was extended to Martin Auffredou, County Attorney, who advised that in the context of trying to reach a new collective bargaining agreement with the PBA (*Police Benevolent Association*), they had reached a point where compulsory interest arbitration was necessary as per the Civil Service Law. He further advised that the Civil Service Law and the application regulations of the Public Employment Relations Operation Board provided the County with the opportunity to appoint a panel member to the Arbitration Panel, which was comprised of three members. Mr. Auffredou said he was requesting authorization to appoint J. Lawrence Paltrowitz Esq. to the Arbitration Panel as Warren County's representative. He noted that Attorney Paltrowitz had served in this capacity in the past and had agreed to incorporate the same fee proposal and structure used previously. Mr. Auffredou stated it was important for the Committee to act on this matter at the current meeting and said he had prepared a resolution for their consideration. He read a portion of the resolution aloud, as follows:

"...the Warren County Board of Supervisors hereby authorizes the Warren County Attorney to appoint J. Lawrence Paltrowitz Esq. as the County's Panel Arbitrator in compulsory interest arbitration with the Police Benevolent Association and to agree upon fees charged for the arbitration services..."

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Mr. Auffredou noted that funding for these fees would be expended from Budget Code A.1420 440, *Law (County Attorney), Legal/Transcript Fees*; he added that he believed there was sufficient funding available within this budget code to sustain any fees incurred, but said he would return to the Committee if additional funding was required. In the interest of full disclosure, Mr. Auffredou informed that for more than 23 years he had been employed by the law firm of Bartlett, Pontiff, Stewart & Rhodes, P.C. where he had been a Principal for many years and was a joint owner of real estate from which he received certain payments. He advised that although he had publicly provided this information in the past, he felt it should be repeated because Attorney Paltrowitz worked for the law firm of Bartlett, Pontiff, Stewart & Rhodes, P.C.

Motion was made by Mr. Merlino, seconded by Ms. Wood and carried unanimously to approve the resolution presented by Mr. Auffredou and authorize its presentation at the June 20<sup>th</sup> Board Meeting.

Mr. Monroe apprised it appeared that the bill introduced by Senator Little to increase the permissible time for bonding of biomass projects was in good standing as Assemblyman Stec had been successful in obtaining sponsorship for the bill; he added that this bill would allow municipalities the opportunity to benefit from the use of biomass heating systems.

There being no further business to come before the Finance Committee, on motion made by Mr. Dickinson and seconded by Ms. Wood, Mr. Conover adjourned the meeting at 10:52 a.m.

Respectfully submitted,  
Amanda Allen, Deputy Clerk of the Board