

Minutes

Audit & Control Committee

March 18, 2021, 8:35 a.m., Virtual Meeting via Zoom

Gerace Office Building, Mayville, NY

Members Present: Nazzaro, Odell, Gould, Harmon, Niebel

Others: Tampio, Ames, Quattrone, Swan, Meleen, Bentley, Wendel, Dennison, Carrow, Crow, Chagnon, Button, Abdella

Chairman Nazzaro called the meeting to order at 8:37 a.m.

Approval of Minutes (2/18/21) _____

MOVED by Legislator Niebel, SECONDED by Legislator Odell.

Unanimously Carried

Privilege of the Floor _____

Chairman Nazzaro: O.K., do we have any messages that need to be read or anything Olivia or Kathy?

Clerk Tampio: I have not received any communications for the privilege of the floor.

Proposed Resolution – Amend Parks Capital Accounts

Mr. Bentley: This is to increase what we need to pay for two pieces of equipment for Parks. They are (*inaudible*) projects. The price came in just slightly higher than what we anticipated for the two pieces of equipment. A total of \$738 more and these are funded out of the Parks Capital account which is funded by timber sales. So the additional money will come from those places we will be decreasing the Parks capital appropriation account. No real big thing here. Just a slight increase in costs. It's for a front deck mower, John Deere tractor to keep up with the maintenance at the parks.

Chairman Nazzaro: It's good that we have the timber sales to offset this.

Legislator Gould: How much is left in the Parks capital account?

Mr. Bentley: I think that it's like \$160,000 or something like that.

Mrs. Dennison: Let me look that up, it will take me a minute.

Legislator Gould: Just yell it out when you get it.

Mrs. Dennison: O.k.

Mr. Bentley: Tell Jay that I have enough to cover \$738.00 for sure.

Legislator Gould: I would guess but I was just curious.

Chairman Nazzaro: While she is looking that up are there any other questions or comments on this resolution?

Legislator Odell: Quick comment. It's a good resolution which I will definitely support but just curious kind of on the tune of parks. Brad, I don't know if I you can speak to this or not but just where we are with like the opening up or the timbering of say, Thayer Hill. It's been (*inaudible*) us for probably the last 6/7 years. I can get calls on that one to open it up. Nobody (*inaudible*) but I know we had discussed having that tied to part of the timber sale and was just curious if that was able to happen.

Mr. Bentley: Thayer Hill, is that the one in (*cross talk*).

Legislator Odell: Luensman Park.

Mr. Bentley: We're going to put it out for bid here momentarily, I think Monday. It's not going to be a lot of money, there is not a lot of timber back there but, we're going pay for opening up the view of Chautauqua Lake where it's kind of grown up a little bit. So we put everything together, got it approved through the Parks Commission. We'll see what the bids come back after send it out there. So, it's on the move.

Legislator Odell: Beautiful, thanks.

Mrs. Dennison: The amount in the Parks capital improvement is \$206,432.

Legislator Gould: Thank you.

Mr. Bentley: Some of that is spoken for, for the Luensman bathroom, correct Kathleen?

Mrs. Dennison: Yes, that's at the end of 2020 and then in 2021, that is true, we are using some. There is two projects in 2021 – in 2021, timber sales are going towards the John Deere tractor, \$10,000 and that's it. I think that we've already adjusted for that.

Chairman Nazzaro: Any other comments or questions? If Kathleen has anything to add, I'm sure she'll chime in. O.k., all those in favor of this resolution?

Unanimously Carried

Proposed Resolution - Authorize Supplemental Agreement 1 with NY State DOT for Performance of Federal-Aid Project PIN 5761.82

Mr. Bentley: This is for a bridge we're replacing, the Foote Avenue bridge in Jamestown. We're currently in the design phase. There was some additional concerns around the right-of-way for the bridge but DOT notified us that they wanted to add some costs because we're going to need to extend the time to get that right-of-way. They indicated that it was about \$15,000. This is a federally funded bridge so Federal pays 80%, the State pays 15% and the County pays 5% so out of that \$15,000 increase, our local share would increase by \$1,250 which would take the total cost of design phase from \$270,000 to \$285,000. Preliminary costs for the bridge, we're not (*inaudible*) final design yet, but will be about approximately \$2 million dollars. It is a big project but a needed project to replace that bridge on Foote Avenue, across the Chadakoin. We proposed to take the \$1,250 out of the reserve for capital. Any questions?

Legislator Gould: This is for next year?

Mr. Bentley: Well, they are currently in the design so this will be for this year. The DOT sent us a notice for increased costs and they need a resolution to do that so this will be for this year.

Legislator Gould: Any estimate how long the bridge will be closed?

Mr. Bentley: We still have to put that out for bid so it depends when we get it out for bid, when the construction starts. We typically try and do it within a construction season so we'll see if it's next year or the year following. I hate to answer too far in advance until we see the final design. There are a lot of utilities on that bridge and we want to make sure we don't take it out without knowing all the things that need to be done, planned, and put in place before we close it and take it out.

Legislator Gould: That would be good.

Chairman Nazzaro: It's going to be a big project.

Mr. Bentley: Yea, we're getting good at the ones in Jamestown. We started with Main Street, we got Harrison, we're going to have Hopkins, Foote Avenue, there is a couple of them down there that are in definite need of replacements.

Chairman Nazzaro: How many bridges are there in Jamestown, do you know Brad? Just curious.

Mr. Bentley: Well, I have 308 bridges in the County that are over 20 feet. Anything under 20 feet is generally considered a culvert and there are lots of culverts (*inaudible*)..

Chairman Nazzaro: My understanding is, the County did not always maintain the bridges, correct? Wasn't it at one time the towns and villages maintained them and then the County took over the bridges, what, 20 years – I don't know when it was. It's been a long time.

Mr. Bentley: It was probably sometime like that. Anything that was over 20 feet was deemed a County bridge regardless of the location or road.

Legislator Niebel: It depended on the span, I think, at one time.

Mr. Bentley: Yea, so we have bridges that we own that are not on County roads. But we take care of them, that's what we're here for. It doesn't matter who owns it, they just need it taken care of because it's in the County.

Chairman Nazzaro: I think sometimes that's taken for granted or forgotten, let's put it that way that the County is taking on a lot of responsibility and we're glad to do it to help our other municipalities. I know Jamestown appreciates it.

Mr. Bentley: I'm glad that we can get this federally funded and pay 5%.

Legislator Harmon: Brad, how many bridges do you believe are in the County that are going to be in need of repair or are going to need some kind of maintenance in the next year upcoming versus what we just discussed?

Mr. Bentley: That's a difficult question to answer only because each bridge has its own unique set of features. Some just may require a railing repair, some may require a bridge deck repair or seal a bridge. We paint the bridges, we do deck sealing, so not all of them are like this one where they need a complete replacement.

Legislator Harmon: How often do you guys go out or the engineer go out and take a look or evaluate the bridges to make the necessary recommendations for repair, paint, maintenance?

Mr. Bentley: Generally our guys are going out and looking at things each and every year. The depth of the inspection depends on how recent the bridge was replaced, how new it is. So, you have a one year old bridge, you are not going to have to do a whole lot of inspection on it. We try and look at everything. The DOT comes out and looks at stuff as well and they put out a flag and then we have to go out and fix it and they could flag things like railings, it would be a wing wall or something that got damaged. An accident, no one reported it to us. It's hard to give you a firm number but I will tell you our bridge program right now, we are looking at, as far as major repairs, probably about 15 bridges this year that have enough work on them that are either replacing or rehabilitating. Three of those are actually painting. That's (*inaudible*) that we have for our internal crews and for larger ones like these, we will contract them out.

Legislator Harmon: Thank you Brad.

Chairman Nazzaro: Good question Tom. Any other questions or comments?

Unanimously Carried

Proposed Resolution – Application for Credit of Real Property Taxes for 2021

Ms. Crow: I think Todd or Kim could speak to it. I'll just take the opportunity for those of you who haven't met Kim Meleen before. She is now the Acting Director for Real Property. It's kind of her introduction to Audit & Control committee, but I think Todd actually prepared this resolution, so I'll let one of the two of them talk to this.

Mr. Button: It was one of the last ones I wrote under my brief tenure so it's mine. This was a property in the Town of Busti, West Ellicott that was owned by one of the churches in

Jamestown. I don't believe that it was a church building but it was a church residential, there is a house or something. They sold it to the people who are living in there. The assessor took the religious exemption off of the property too soon because the roll had been set in May of 2020 for 2021 tax bills so they got this tax bill in error along with the school tax that was assessed upon that property as well. Next year, it will be off the exemption list but it has to be on the exemptions for this year.

Chairman Nazzaro: Thank you Todd. Pretty straightforward.

Legislator Niebel: The owner is actually Living Water's Ministries. The property classification was 620 which would be for religious exemption so Todd, if this was in error by the Busti assessor, yea, we should not have taxed it.

Mr. Button: The problem we have, I think the reason it happened is, the assessor for Busti is the same assessor for the City of Jamestown, same assessor for the Town of Harmony and I don't know how many other towns so, if this was in the City of Jamestown, they could have done a prorate tax bill on this but Jamestown is the only one who does that, the towns do not so that's why we need to put this through.

Legislator Niebel: While we're on this subject, just a quick question. We've identified this particular property with a PID number. I'm used to calling it a SBL number, but I've noticed in some of our recent resolutions, we've referred to these properties as PID numbers. Is that property identification numbers?

Mr. Button: Yes, property ID.

Legislator Niebel: It doesn't matter to me. I know it's the same thing but when you do go to check these things out and go to the GIS, it does ask for the SBL. Do you think that we should be consistent and call it either SBL's or PID's? Just a technical question.

Mr. Button: We can call them whatever. I've never known them as SBL's. I've always known them as PID's from my work in the property tax.

Legislator Niebel: Well, you are a lot younger than I am. O.k., whatever, it doesn't matter.

Legislator Odell: Hey Terry, it's Mark, thanks for asking that question because I always looked at them as section, block, lot numbers too and just going with our (*inaudible*) but, I guess it's semantics but I get where you are coming from.

Legislator Niebel: Mark, you are younger than me but you probably older than Todd. For what it's worth. It looks like this should have been exempt.

Chairman Nazzaro: Any other questions or comments?

Unanimously Carried

Proposed Resolution – Amend 2021 Budget for Grant Expenses – Office of the Sheriff

Mrs. Swan: This is related to the resolution that we had filed last month to amend the revenue. All of a sudden -

Chairman Nazzaro: Jen, you are breaking up.

Mrs. Swan: This resolution is related to last month's resolution where we amended the revenues for outstanding purchase orders that we're shifted into 2021. We realized after the fact that we also should have amended the expense budget to align with those outstanding (*inaudible*) revenue so that's what this resolution does. It's just an adjustment to the expense budget to match what was shifted from 2020 to 2021.

Chairman Nazzaro: O.k., pretty straightforward. Any questions or comments?

Unanimously Carried

Proposed Resolution – Amend 2021 Budget for Capital Project: Jail Upgrades

Mrs. Swan: This will close out the Jail upgrade capital project once this is complete. There was a project that slightly exceeded what was remaining in the capital budget so what we did was, we are basically taking funding from another capital project that we know will come in under budget to compensate for that cost difference in order to close that capital account out and get that project completed.

Chairman Nazzaro: Any questions or comments?

Unanimously Carried

Proposed Resolution – Close Capital Projects – 2020 Year End Reconciliation

Mrs. Dennison: This is mostly due to the hard work of Todd in going through his year-end reconciliations process. He found some additional projects that have been completed, all the invoices have been paid so this will close out those five projects. You will see in the resolution coming up, some budget amendments associated with these projects. There were some balances left in them so those are being closed out and returned to the capital reserve or the waterway reserve.

Chairman Nazzaro: Again, that should make our Chairman happy because he was one who initiated all the closing of the capital projects. Any questions or comments from the committee?

Legislator Odell: Really quick, look at the dates on some of these that are closed now. These are really recent so we are doing well on our housekeeping. Nice job everyone.

Chairman Nazzaro: Good point Legislator Odell. All those in favor?

Unanimously Carried

Chairman Nazzaro: Kathleen, does the next - I read an email from you. Was the next resolution wrote into the unemployment? Is that part of the other one?

Mrs. Dennison: Yes it is. So we would like to withdraw this resolution.

Chairman Nazzaro: That's what I thought. I just wanted to clarify so the next resolution is withdrawn because it's part of the next resolution, correct?

Mrs. Dennison: That is correct, yes.

Proposed Resolution – Amend 2020 Budget for Year End Reconciliations – Fourth Quarter
Unemployment Insurance Expense - *WITHDRAWN*

Proposed Resolution – Amend 2020 Budget for Year End Reconciliations – Additional
Adjustments for Various Departments

Chairman Nazzaro: There are a lot of accounts in here so I'll let Kathleen go over this one.

Mrs. Dennison: I will give you the highlights. As the Chairman mentioned, yes, there is a lot going on in this resolution. So just to hit the main points, the first section, decrease the use of fund balance is tied to the resolution that we just passed to close out capital projects so there were some projects when they were completed that they had funds remaining. So we'll be returning some funds to the capital reserve as well as to the lakes and waterways reserve. So that is the first section. The next section, increase appropriation accounts. The vast majority of these are due to the adjustments to health insurance that we mentioned last month and this is due to additional pharmaceutical costs and we were not able to get all of these changes into the results in time to get the budget adjustments into the February resolution. These costs are additional cost to the departments but additional revenue in the "M" fund primarily, as I said, due to pharmacy costs that exceeded the original budget charged to the departments. There is also a couple of offsets if you will to the additional health insurance costs. As we just discussed, there are some reductions, there were some late reductions to unemployment expense. We originally intended to do that in a separate resolution. Those reductions are because in the 4th quarter we received guidance from the Federal government that our 4th quarter unemployment expenditures that we will receive a reimbursement for 50% of those expenses, as I said, from the Federal government to the various COVID release plans. So there is some COVID into these adjustments. Some reductions in some departments because their unemployment expense are lower than expected. There is also some reduction rolled into these numbers for a change in the GASB adjustment. Todd found that he had booked too much GASB expense and so when we did the February adjustments, some of the enterprise employee benefit accounts were increased too much. Because with the GASB in year's past we had just booked a lump sum at the end of the year and in 2020 we were booking a monthly amount. So when Todd did the year-end reconciliations he forgot that we had already charged some expenses to the departments throughout the year. So, to

summarize, there are three things going on in employee benefits. Increase pharmaceutical costs, decrease unemployment expenses and decrease GASB expenses. Just a couple of other notable items in the increase appropriations. There is an increase in Community College tuition. I just want to make a note too, there is a typo in this line. A.2490.4. I apparently could not spell community correctly so if we could adjust that please. I don't know what that word is in there but it's not community. So this thirty six hundred and ten dollars are late chargebacks from institutions that are not Jamestown Community College. I just want to mention that to make it clear that the amount that we discussed last month to pay JCC to come up to the floor is not affected by this resolution. As I said, it was for different institutions. Those are the highlights of the increase appropriation and in the decrease appropriation section, these are the offsets to the increases in the employee benefits for different departments. In general, all of those increases could be self-balanced within their departments. There were a few exceptions, departments such as Human Resources, the District Attorney, that were not able to self-balance before, they still aren't because they are getting more (*inaudible*) expense. So a couple of departments, you do not see a corresponding decrease in the appropriations within their own department. You will also see at the bottom of the decrease appropriation section, lots of changes of each funds. Again, it's because of Todd's work to reconcile and close out projects. The increase in revenue accounts, the first line, the property tax that is using a little bit more of the sale tax surplus to balance some of the smaller departments that could not balance within their own organization. The Sheriff, again, we're increasing his budget for Federal inmate housing to offset increases in employee benefits in the Sheriff's organization. Then most of the changes in revenues are due to capital projects reconciliation. For the decrease in revenues, the first line for ELA160, that's the landfill. That revenue (*inaudible*) we don't need to use as much of the revenue because the landfill, their expenses actually went down because of the change in the GASB expenses. You will also see the decrease revenue accounts, the second line, EMS, sale of property, \$47,600. That account is being decreased because we originally had included sale of equipment, sale of fly cars at auction in the 2020 results. We then found out that the cars, they were bid upon in 2020 but not actually sold so we had to remove that revenue. The cars have been relisted and I believe they are actively being offered for bid and the sales will continue and will happen but they did not happen in 2020. The final changes, the decrease in revenue accounts, again, a lot of the changes in the "H" fund due to reconciliation of capital projects. So those are the highlights. I would be happy to answer any other questions you have.

Chairman Nazzaro: I have and maybe you explained it but I didn't get it. At the beginning you are decreasing use of fund balance reserve for capital and reserve for lakes and waterways. I know we just closed out some capital accounts, I'm just trying to frame it up. Why aren't we increasing the use of normal fund balance? Why are we hitting the water? You probably said it but it didn't click.

Mrs. Dennison: That capital contract was – a portion of it was funded from the lakes and waterway reserve. So the money initially came from the occupancy tax reserve. Project came in under budget so the funds are going back to their source.

Chairman Nazzaro: O.k., thank you.

Ms. Crow: I would like to comment further on the health insurance reconciliation. This can be rather complicated and I'll try and keep it simple but as you know from what I sent out

last month, showed the history on our health insurance costs, our actual costs were not trending up. This year the reconciliation that we did at the end of the year revealed something that we didn't really – were not able to identify during the year. Our pharmacy costs weren't necessarily exceeding our budget within the "M" fund, what was happening is that we just weren't charging the departments enough for that expense. Some of that had to do with our conversion of moving people from the PPO plan to the high deductible plan in 2020 and because we are self-funded for the pharmacy, our spending for pharmacy should have remained somewhat the same rather than been reduced and so the rate when they were originally set which would have been like in late 2019, we wouldn't of had that insight into how the effects of conversion on our pharmacy from the PPO to the high deductible would happen. And the reason for that is or another reason is because we just didn't have any history to base how, as you might know, on a high deductible plan, the members responsible for paying their costs up to the deductible. With pharmacy for those people who might have maintenance medication, they're using up that deductible sometimes pretty quickly in the year but then other people might not use it till later in the year. So, we didn't have like a full 12 month of history to see that seasonality so to speak of using up the deductible and then what the plan paid. So that's part of it. We did when we set the rates for 2021, we did adjust for this, all these things so the pharmacy rate from 2020 to 2021 kind of, if you looked at the detail in our model, you would see that I looked like it went up incrementally but our actual spend, because we are self-funded, is down from prior years. Like I said, it kind of gets complicated because we manage all the costs for all the health insurance plan in the "M" fund and then we allocate all those charges back to all the departments. But certainly if anybody wants to understand it in more detail, I have a lot of spreadsheets I can show you. Like I said, as I was doing this year-end reconciliation, all these things like of stood out more in more clarity. I would have like to have gotten that adjustment in before last month but by the time we got the reconciliation done, everyone's resolution had already been submitted so we didn't want to have them try and change all the ones from last month so we did it in just one resolution this month. Hopefully that was somewhat simple explanation.

Chairman Nazzaro: So if anyone wants to see the spreadsheets and go into more detail, Kitty has offered to do that. You did mention during your comments that the spend is actually down and the pharmacy overall spend is down, correct?

Ms. Crow: Yes.

Chairman Nazzaro: In 2021 budget, we won't have this issue again in 2021?

Ms. Crow: We shouldn't because we adjusted the rates appropriately for the pharmacy plan. Again, we still didn't have – we had about 12 months of history but the more history we get on the – like I said, the seasonality of drawing down on the deductibles before the plan starts paying, we'll get more and more history as we go forward. We based it on the information we had and just making the rate based on – knowing what we're going to spend in total to project it that way and then developing the rate that we need to have to offset that expense.

Chairman Nazzaro: O.k., like Kitty said, it is very complicated. So, I'll open it up for questions or comments from the committee, either on the health insurance or on the overall resolution. Any questions?

Legislator Odell: Resolution is fine and eager to support. I would be interested in on the health insurance side now that we have what, three, three and a half since we started the conversion on this, I would be interested on a post-mortem, just where did the projections and the anticipated experience, do we see where we actually are, now that we have a couple of years under our belt.

Ms. Crow: I did send out a report last month – that shows are actual history, like our actual spend. If you want to see that more compared to our budget the last couple of years, we can do that. 2020 was and the other thing too, I can breakdown and give you a summary of what was going on in each plan. For example like, whether we fully fund it or didn't fully fund the deductible and just break it down a little bit by bargaining unit. I think I had some of those notes but maybe if you would like next month – I sent that report out last month but maybe I can walk you through it as a discussion if you would like to do that or just one on one, I can walk you through that report I sent last month.

Legislator Odell: No, it's just for my own notification. (*Inaudible*) on what variance do we have against our initial projections on savings.

Chairman Nazzaro: Mark, do you want that added as a discussion item for next month?

Legislator Odell: I can have a one on one unless the rest of the committee does. I'm just curious how we fall variance against initial projections.

Chairman Nazzaro: I review the reports and I know that Kitty and I have had, during budget hearings and during other times we've talked about this. Does the committee want this or do we want to – I guess I'm hearing no.

Ms. Crow: That is fine. Mark, I can connect with you and we can go through that at any time.

Legislator Odell: I appreciate that, thank you Kitty.

Chairman Nazzaro: Kathleen, are we going to have any additional 2020 budget reconciliations or amendments or do you think this will be it?

Mrs. Dennison: We are still waiting for final workers compensation entries. Todd, that is a correct statement, yes?

Mr. Button: Yes. We're hoping to have that done by Friday and if it has any ramifications it would only be on the enterprise funds, not the general funds.

Mrs. Dennison: So it is possible that we will have one more resolution next month. A lot of the departments have already maxed out their benefit classification. So if there is any more expense coming from the final workers compensation booking, there are likely to be budget amendments.

Mr. Button: There again, the only possible budget amendments would be in the enterprise funds, not in the general funds. The workers comp affects the enterprise funds and the "MS" funds, the workers comp fund itself. So nothing on the general fund side.

Legislator Niebel: So when we look at the appropriations, the increases and decreases, we have a net decrease in appropriations of \$141,511 and if we look at the overall increases and decreases in revenue, we have a net decrease of \$86,929. Should these amounts net out to zero or not necessarily?

Mrs. Dennison: They don't necessarily because there is a contribution to the capital reserve on the waterway reserve. If you took the "H" fund items out of the detail, all the other funds, the increase in appropriations would balance with the changes (*inaudible*)...

Legislator Niebel: By taking out the "H" funds.

Mrs. Dennison: Yes, the "H" fund, so to speak, is out of balance but out of balance in a good way because we're putting money back into the reserves.

Chairman Nazzaro: That's where the \$54,000 comes in, correct, at the top.

Mrs. Dennison: Yes.

Mr. Button: Correct, and I would just make one comment to update an earlier question by Jay that the one part of this amendment that adjust the Parks capital account means that there is only about a \$170,000 in available revenue left in that Parks project.

Mrs. Dennison: Thank you Todd because I was looking at the results and I can see some unposted items and I was coming up with two different numbers. I appreciate the clarification so Brad was closer than I was.

Chairman Nazzaro: Brad said \$160,000 so you are within \$10,000.

Mr. Button: A \$169,932, how's that.

Chairman Nazzaro: Great questions and great comments.

Mrs. Dennison: I wanted to make sure that Kathy and Olivia heard my comment about changing the typographical error.

Clerk Tampio: Yes I did Kathleen and I've already corrected it.

Mrs. Dennison: Thank you.

Clerk Tampio: You are welcome.

Chairman Nazzaro: Any other questions or comments?

Unanimously Carried

Discussion – Amendments to Admin. Code – Re: Department of Public Facilities (Bentley-Abdella)

Other

Discussion - Format of Budget Reports – Dennison

MOVED by Legislator Gould, SECONDED by Legislator Niebel to adjourn.

Unanimously Carried (9:59 a.m.)

Respectfully submitted and transcribed,
Kathy Tampio, Clerk/Olivia Ames, Deputy Clerk/Lori J. Foster, Sr. Stenographer