

**STEUBEN COUNTY FINANCE COMMITTEE**

*Tuesday, June 13, 2023*

*10:10 a.m.*

*Legislative Chambers, 3<sup>rd</sup> Floor, Annex Building  
Bath, New York*

**\*\*MINUTES\*\***

<b>COMMITTEE:</b>	Gary D. Swackhamer, Chair John V. Malter	Kelly H. Fitzpatrick, Vice Chair Brian C. Schu	Jeffrey P. Horton
<b>STAFF:</b>	Jack K. Wheeler Tammy Hurd-Harvey Jennifer Galvan Vicki Olin	Christopher Brewer Mitch Alger Brooks Baker Lynn Lewis	Jennifer Prossick James Allard Colleen Hauryski Auralee Jefferds
<b>LEGISLATORS:</b>	Scott J. Van Etten Hilda T. Lando Nicholas D. Pelham	Carol A. Ferratella Wendy Lozo Frederick G. Potter	K. Michael Hanna Robert V. Nichols
<b>OTHERS:</b>	Randy Shephard, Bonadio Brian O’Neal, WLEA		

**I. CALL TO ORDER**

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

**II. APPROVAL OF MINUTES**

**MOTION: APPROVING THE MINUTES OF THE MAY 9, 2023, AND MAY 22, 2023, MEETINGS MADE BY MR. SCHU. SECONDED BY MR. HORTON. ALL BEING IN FAVOR. MOTION CARRIES 5-0.**

**III. PRESENTATION**

A. Bonadio

1. **2022 Financial Statements** – Mr. Shephard reviewed the 2022 Financial Statements including the required communications letter. He noted the County implemented the new GASB 87 requirement related to releases, however, there were no significant material impacts and the County will continue to account for leases as they had been doing historically. He noted that the most significant changes impacting the financial statements during 2022 were that governmental activities net investment in capital assets decreased \$1,927,429 because of depreciation expenses. Total OPEB liability decreased approximately \$29.9 million as a result of assumption changes and updates for actual plan experience included in the GASB 75 valuation and had a positive impact on change in net position of approximately \$4.1 million. There was a positive impact of change in net pension liability of \$1.6 million. Mr. Shephard noted there was a \$6 million increase in non-cash revenue. He noted operating and capital grants and contributions increased approximately \$3.2 million from 2021. Approximately \$1.3 million of that increase relates to ARPA funding spent during 2022 with a total of \$2.5 million in total ARPA funds being spent during 2022. Total sales tax and other non-property tax revenue increased approximately \$11 million from 2021 and real property tax items increased \$3.6 million from 2021. About \$3 million of that increase was related to the County being able to hold the real property tax auction in 2022 as it had not been held in the prior year due to COVID. He noted that they do not know if there will be any impact from the pending Supreme Court case.

Mr. Shephard stated revenues were higher in 2022 than 2021 by approximately \$18.9 million and the largest increases were \$11 million in non-property tax items, \$3.6 million in real property tax items and \$5.1 million in

Federal aid. Those were offset by decreases in other line items, with the largest being a decrease in departmental income of \$1.1 million. General fund expenditures increased by \$12.1 million in 2022 compared to 2021 and the largest increases were \$5.1 million in general government expenditures and \$7.4 million in economic assistance expenditures.

Mr. Shephard stated there will be two new accounting standards for 2023 and 2024. For 2023, GASB 96 will be effective for year-end December 31, 2023. This relates to subscription based IT arrangements. The second accounting standard effective for year-end December 31, 2024 is GASB 101 which is for compensated absences and how governments report different types of leave. This may not impact the County at all, but is something that we will assess.

Mr. Shephard reviewed the four year comparison of the General Fund. Under assets, this shows that the County moved cash into more investment vehicles as well as the cash receipts from ARPA. There was \$1.3 million in outstanding ARPA funds along with an increase in unearned revenue. There was no impact on the balance sheet other than recognizing the cash and liability. He noted that 70 percent of revenues are from local sources with 30 percent State aid. The county's debt load is considerably under most counties in the state at 1.3 percent compared to 6.3 percent for the rest of the State. When looking at expenditures by function, the line item for education includes all of the public schools in the State and for the entire state is at 40 percent while Steuben is at 4.1 percent. Steuben County has stayed relatively consistent with how spending is impacted. Mr. Van Etten asked why is the line item for Social Services so different than the State percent? Mr. Shephard replied he thinks that goes back to public school districts.

Mr. Shephard noted they also conducted a single audit on Federal funds. The County received \$7.7 million in HEAP and \$2.5 million in COVID funding. We tested \$10.2 million of the total \$36 million of Federal funds that you expended and we have qualified the County as low-risk. With regard to NYS DOT, we tested \$4.1 million of the total \$7.4 million of CHIPs funds received. There were no current year funds. Last year you had a double submission and we needed to reference that.

Mr. Swackhamer asked do you have anything that you want to suggest to the Finance Committee? Mr. Shephard replied no. Your Finance Office does a very good job. It has been a challenge with the new software and things do not get any less complex. We are just making sure that everything is in line. He noted that they did provide a couple of housekeeping items for the Finance Office to consider.

Mrs. Ferratella asked on page two of the historical analysis report that Bonadio presented, it talks about the ARPA funds that we have spent which is a total of \$12 million. It says that \$2.5 million was spent in 2022. How is that money disbursed? Is it a draw when the organizations want the funds? Mr. Wheeler replied in terms of your allocations to other agencies, yes, to a certain extent, but you also spent funds in 2021. To my understanding, a lot of what you have already authorized is out the door. We are now into the spend on the construction projects and there will be considerably more in 2023 and then broadband. Mrs. Ferratella stated at AIP we talked about getting reports back on these funds. Do you know at what point we would want to do that? Mr. Wheeler replied that will probably coincide with your budget process. You will have a few of the agencies that you fund come in to report anyhow. There are a few agencies that you have funded that do not normally come in every year and those we can do at the same time.

Mr. Malter asked where do we stand with broadband? Mr. Wheeler replied they are currently in the design phase. They provided you with the maps you all saw and now they are working on detailing the design. We have a meeting with them in about a week and will keep you posted on the progress. There will be a few months of design work and then another few months of make-ready. Mrs. Ferratella stated last night at the Hornby town meeting they talked about the broadband project. Is there any update for them? Mr. Wheeler replied we don't have a significant update. We actually met with one of their town council people with Empire and we are going to do that next week with Fremont and Caton to help facilitate those conversations. There are no updated maps that we could provide or anything like that. What we committed to is that once they have the final design, we will share it with you first and then that would be something that we could then share with the public.

**IV. DEPARTMENT REQUESTS**

**A. Community Services**

1. **New Contract** – Ms. Lewis requested authorization to enter into a new contract with Jennifer Hollenbeck, Psychiatric Nurse Practitioner, at a rate of \$125.00 per hour for 15 hours per week, not to exceed \$97,500. Ms. Hollenbeck will be providing services for children, adults and MAT, at the Hornell and Corning clinics.

**MOTION: AUTHORIZING THE DIRECTOR OF THE DEPARTMENT OF COMMUNITY SERVICES TO ENTER INTO A NEW CONTRACT WITH JENNIFER HOLLENBECK, PSYCHIATRIC NURSE PRACTITIONER TO PROVIDE 15 HOURS OF SERVICE PER WEEK AT THE CORNING AND HORNELL CLINICS AT A RATE OF \$125.00 PER HOUR, NOT TO EXCEED \$97,500 ANNUALLY MADE BY MR. MALTER. SECONDED BY MS. FITZPATRICK. ALL BEING IN FAVOR. MOTION CARRIES 5-0.**

**B. District Attorney's Office**

1. **Accept 2023-2024 Crimes Against Revenue Program (CARP) Grant** – Mr. Baker requested authorization to accept the 2023 – 2024 Crimes Against Revenue Program (CARP) Grant award of \$40,400. This is a three-year grant cycle.

**MOTION: AUTHORIZING THE DISTRICT ATTORNEY TO ACCEPT THE 2023 – 2024 CRIMES AGAINST REVENUE PROGRAM (CARP) GRANT AWARD IN THE AMOUNT OF \$40,400 MADE BY MR. HORTON. SECONDED BY MS. FITZPATRICK. ALL BEING IN FAVOR. MOTION CARRIES 5-0.**

2. **Accept Domestic Violence Program Grant** – Mr. Baker requested authorization to accept the Domestic Violence Program Grant in the amount of \$6,000.

**MOTION: AUTHORIZING THE DISTRICT ATTORNEY TO ACCEPT THE DOMESTIC VIOLENCE PROGRAM GRANT IN THE AMOUNT OF \$6,000 MADE BY MR. HORTON. SECONDED BY MR. SCHU. ALL BEING IN FAVOR. MOTION CARRIES 5-0.**

**C. Sheriff's Office**

1. **K-9 Tripp** – Mr. Swackhamer asked how is the new K-9? Sheriff Allard replied Tripp is doing fantastic. He just did a demonstration in Wayland at a community public safety event and he did very well. He is tracking already at 6 months old.

2. **Accept State Criminal Alien Assistance Program (SCAAP) Award** – Sheriff Allard requested authorization to accept the State Criminal Alien Assistant Program (SCAAP) Grant in the amount of \$3,890. These funds are used for housing Federal inmates.

**MOTION: AUTHORIZING THE SHERIFF TO ACCEPT THE STATE CRIMINAL ALIEN ASSISTANCE PROGRAM (SCAAP) GRANT IN THE AMOUNT OF \$3,890 MADE BY MR. MALTER. SECONDED BY MR. HORTON. ALL BEING IN FAVOR. MOTION CARRIES 5-0.**

3. **Accept Walmart Cyber Grant** – Sheriff Allard requested authorization to accept the Walmart Cyber Grant in the amount of \$4,000. These funds are used for the Toys for Tots and Coats for Kids programs that we do every December.

**MOTION: AUTHORIZING THE SHERIFF TO ACCEPT THE WALMART CYBER GRANT IN THE AMOUNT OF \$4,000 MADE BY MR. SCHU. SECONDED BY MR. HORTON. ALL BEING IN FAVOR. MOTION CARRIES 5-0.**

4. **Transferring funds from the Capital Project Entitled HVAC Johnson Control Upgrade** – Sheriff Allard explained last year we got quotes for the work at the physical plant at the Jail. He requested

authorization to transfer \$5,000 to minor equipment for the water control valves and \$6,000 to major equipment for the mini split in the server room.

**MOTION: AUTHORIZING THE TRANSFER OF \$11,000 FROM THE HVAC JOHNSON CONTROL UPGRADE CAPITAL PROJECT TO THE JAIL'S MINOR EQUIPMENT LINE (\$5,000) FOR THE WATER CONTROL VALES AND TO THE JAIL'S MAJOR EQUIPMENT LINE (\$6,000) FOR THE MINI SPLIT IN THE SERVER ROOM MADE BY MR. MALTER. SECONDED BY MR. SCHU. ALL BEING IN FAVOR. MOTION CARRIES 5-0. Resolution Required.**

Mrs. Ferratella stated she read that the City of Corning will be purchasing a K-9. What will they use the K-9 for? Sheriff Allard replied they will use it for patrol, narcotics and tracking. The last I knew they had not purchased it yet, but are looking at purchasing it in Arkansas and sending their trainer down there to get trained for two weeks and then the handler and the dog will come back together.

D. Elections

1. **Grant Approvals** – Mrs. Olin requested authorization to accept the Technology Innovation and Resource (TIER) Grant in the amount of \$96,920.62, the Absentee Ballot Pre-Paid Postage Grant in the amount of \$27,821.26, the Temporary Poll Site Improvement Grant extension in the amount of \$10,623.42 and the Cyber Security Grant extension in the amount of \$4,766.23.

**MOTION: AUTHORIZING THE COMMISSIONERS OF THE BOARD OF ELECTIONS TO ACCEPT THE FOLLOWING GRANTS: TECHNOLOGY INNOVATION AND RESOURCE (TIER) GRANT – \$96,920.62; ABSENTEE BALLOT PRE-PAID POSTAGE GRANT - \$27,821.26; TEMPORARY POLL SITE IMPROVEMENT GRANT EXTENSION - \$10,623.42 AND CYBER SECURITY GRANT EXTENSION - \$4,766.23 MADE MR. HORTON. SECONDED BY MR. SCHU. ALL BEING IN FAVOR. MOTION CARRIES 5-0.**

E. Commissioner of Finance

1. **Audit** – Mr. Van Etten asked with regard to the audit, how do they do the comparables for counties? Mr. Wheeler replied they rely on information from the State Comptroller. Mrs. Hurd-Harvey stated we can compile that information for the surrounding counties. Mr. Swackhamer commented our debt service is quite low.

Ms. Fitzpatrick asked with regard to FMAP funding and not receiving that from the State, when will we account for that? Mr. Wheeler replied I don't know. Mrs. Hurd-Harvey stated I think we have that as an accrued receivable. Mr. Wheeler stated practically, we are estimating the Medicaid spending and are getting that from two sides. Ms. Fitzpatrick asked is it definite that we are not getting the funding? Is there anything we should be doing? Mr. Wheeler replied NYSAC is waiting for the State budget session to end. They are still in discussions about action against the State. We are talking about the loss of \$2 billion statewide. You will start to see the adjustment for that in this next budget. That will show as lost revenue on the balance sheet, probably in the 2024 audit.

Mr. Malter asked what is the cost for the audit? Mrs. Hurd-Harvey stated next month she will be asking the committee to renew the agreement with Bonadio to conduct the audit and she will bring the cost then.

2. **Monthly Financial Reports** – Mrs. Hurd-Harvey asked if there were any questions on the month reports. There were none.

3. **Reclassification** – Mrs. Hurd-Harvey requested the reclassification of one vacant Senior Account Clerk-Typist position, CSEA Grade I to an Accounting Manager, Management Grade H. This was approved this morning at Administration.

**MOTION: AUTHORIZING THE RECLASSIFICATION OF ONE VACANT SENIOR ACCOUNT CLERK-TYPIST POSITION, CSEA GRADE I TO AN ACCOUNTING MANAGER, MANAGEMENT GRADE H IN THE FINANCE OFFICE MADE BY MR. HORTON. SECONDED BY MS. FITZPATRICK. ALL BEING IN FAVOR. MOTION CARRIES 5-0. Resolution Required.**

4. **Contract Renewal** – Mr. Alger requested authorization to renew the contract with 3+1 for one year at an annual cost of \$42,250 which represents an increase of \$1,625. Mr. Swackhamer asked in your memo it states that now the interest rate is at 5% and prior it was at .20%. What caused the rate difference? Mr. Alger explained that he was trying to point out that 3+1 helps identify where more cash can be invested. They have provided data to us and we know from our records what we had been doing prior to contracting with them. This shows the money that we used to invest compared to what we are investing now.

**MOTION: AUTHORIZING THE COMMISSIONER OF FINANCE TO EXTEND THE CONTRACT WITH 3+1 FOR ONE YEAR AT AN ANNUAL COST OF \$42,250 MADE BY MR. MALTER. SECONDED BY MS. FITZPATRICK. ALL BEING IN FAVOR. MOTION CARRIES 5-0.**

5. **Sales Tax** – Mr. Alger reported the most recent payment that we received today shows that sales tax collections are up 2.5 percent compared to last year.

Ms. Fitzpatrick asked as we have been talking, we have been looking at eliminating the mortgage tax and if are looking at going down that path to try to make things better for taxpayers. Do we have a way to figure out how much we collect on the clothing? Do we still get the 4 percent tax on the clothing? As part of our budget process, if we are talking about eliminating the mortgage tax, could we look at that too? Mr. Wheeler stated that is more complicated as that would have to be a home rule request to the State. We can research it. Ms. Fitzpatrick stated if we are looking at eliminating taxes, that may be one to look at. Can you identify the dollars that are collected? Mrs. Hurd-Harvey replied I don't know if we can identify by vendor type. Mr. Wheeler commented the State Office of Tax and Finance would maybe have that information.

6. **Tax Foreclosure Auction** – Mrs. Lando asked will be having the auction in July? Mr. Swackhamer stated yes. Mr. Malter asked with the Supreme Court decision that was just handed down, where does that leave us with auctions? Ms. Prossick replied the case before the Supreme Court stated that if you made money off the sale, that money was a taking. We don't make money off of every sale, there is a loss on some, and there are administrative costs to make the difference in taking. When we do have excess money, sometimes there are liens on the property and under NYS Law, which is not taken into account in the Federal Supreme Court case, those liens are perfected so it's the lien holder's money over the property owner's money. So we have that issue and that is something the courts are going to have to settle here and the State Legislature did nothing about it in this session. For now, we are going to proceed and Mrs. Hurd-Harvey will create lines for potential liabilities and we will put excess money and hold it as the statute of limitation runs year to year on the takings clause to contest that we took your property and kept the money. There is a six-year statute of limitations under the Federal law for the constitutional taking. That would be six years and we technically took their property in May 2023, so for six years they can contest that. So there will just be a new budget line that is created to hold some money for potential liabilities each year from the foreclosure sale. Mr. Malter asked do we have to go back? Ms. Prossick replied we don't know. That could be something the State might decide to do. I think internally, we can get better at administrative fees and things of that nature. I don't know how many we actually make money on. At this point we have pulled 25 – 30 properties from this order to show cause process. We do have an internal mechanism to have money available should that happen throughout the year.

Mr. Malter asked with the additional 2.5 percent in sales tax collected from the prior year, do you have any indication where that is coming from? Mr. Alger stated he can try to look into that. Mr. Van Etten commented some if it is due to higher gas prices.

**V. OTHER BUSINESS**

A. *World Kitchen* – Mr. Van Etten informed the committee that he received an email from Mr. Johnson that yesterday World Kitchen declared bankruptcy, but the Corning plant is safe. This is the result of debt obligations due to COVID. The Corning facility will remain the flagship facility. World Kitchen has posted a press release on their Instagram and he will forward that to all Legislators.

B. *State of Emergency* – Mrs. Lando commented that New York City is suing the counties that declared states of emergency relative to the migrants. It is interesting to see that we were smart to do what we are doing. Mr. Malter asked what is the lawsuit? Ms. Prossick replied the lawsuit alleges the action of the counties instituting states of emergency was unconstitutional and violated the 14<sup>th</sup> Amendment by prohibiting movement within the State. It alleges that the states of emergency prevented legal immigrants with paperwork from moving within the State. We will see what happens. Mr. Wheeler commented those counties are hiring outside counsel to defend this.

**MOTION: TO ADJOURN REGULAR SESSION AND RECONVENE IN EXECUTIVE SESSION PURSUANT TO PUBLIC OFFICERS’ LAW, ARTICLE 7§ 105.1.H. THE PROPOSED ACQUISITION, SALE OR LEASE OF REAL PROPERTY OR THE PROPOSED ACQUISITION OF SECURITIES, OR SALE OR EXCHANGE OF SECURITIES HELD BY SUCH PUBLIC BODY, BUT ONLY WHEN PUBLICITY WOULD SUBSTANTIALLY AFFECT THE VALUE THEREOF MADE BY MR. HORTON. SECONDED BY MR. MALTER. ALL BEING IN FAVOR. MOTION CARRIES 5-0.**

**MOTION: AUTHORIZING THE COMMISSIONER OF FINANCE TO CANCEL THE 2016-2023 CITY AND SCHOOL TAX; THE 2017-2023 CITY TAX AND 2017 AND 2019-2024 TOWN AND COUNTY TAXES AND ISSUE A CERTIFICATE OF WITHDRAWAL AND A CERTIFICATE OF PROSPECTIVE CANCELLATION RELATIVE TO PARCEL #559.00-05-007.000, SITUATE IN THE CITY OF HORNEILL MADE BY MS. FITZPATRICK. SECONDED BY MR. SCHU. ALL BEING IN FAVOR. MOTION CARRIES 5-0.**

**MOTION: AUTHORIZING THE COMMISSIONER OF FINANCE TO WITHDRAW THE FOLLOWING PARCELS FROM THE TAX SALE AUCTION: #224.06-01-021.000, SITUATE IN THE TOWN OF CAMPBELL; #244.01-01-003.000, SITUATE IN THE TOWN OF CAMPBELL; #318.19-01-014.000, SITUATE IN THE TOWN OF CORNING; #317.00-03-074.000, SITUATE IN THE TOWN OF CORNING; #318.11-01-035.000, SITUATE IN THE TOWN OF CORNING; #337.04-01-074.000, SITUATE IN THE TOWN OF CORNING; AND #299.14-04-005.000, SITUATE IN THE CITY OF CORNING AND SELLING TO THE STEUBEN COUNTY LAND BANK CORPORATION FOR A TOTAL AMOUNT OF \$52,066.32 MADE BY MR. SCHU. SECONDED BY MS. FITZPATRICK. ALL BEING IN FAVOR. MOTION CARRIES 5-0.**

**MOTION: AUTHORIZING THE CHAIRMAN OF THE LEGISLATURE TO SIGN AN AGREEMENT WITH THE NEW YORK STATE DEPARTMENT OF ENVIRONMENTAL CONSERVATION RELATIVE TO PARCEL #014.00-02-003.000, SITUATE IN THE TOWN OF WAYLAND MADE BY MR. HORTON. SECONDED BY MS. FITZPATRICK. ALL BEING IN FAVOR. MOTION CARRIES 5-0.**

**MOTION: TO ADJOURN EXECUTIVE SESSION AND RECONVENE IN REGULAR SESSION MADE BY MR. MALTER. SECONDED BY MS. FITZPATRICK. ALL BEING IN FAVOR. MOTION CARRIES 5-0.**

**MOTION: TO ADJOURN MADE BY MR. MALTER. SECONDED BY MS. FITZPATRICK. ALL BEING IN FAVOR. MOTION CARRIES 5-0.**

Respectfully Submitted by Amanda L. Chapman, Deputy Clerk, Steuben County Legislature

**\*\*NEXT MEETING SCHEDULED FOR\*\***

**Tuesday, August 9, 2022**

**9:30 a.m.**

**Please send agenda items to the Clerk of the Legislature’s Office**

**NO LATER THAN NOON**

**Wednesday, August 3, 2022**