



## Tioga County Worksession Minutes August 10, 2017 – 1:00 p.m.

### Legislators present:

Legislator Hollenbeck  
Legislator Huttleston  
Legislator Mullen  
Chair/Legislator Sauerbrey  
Legislator Standinger  
Legislator Sullivan

### Absent:

Legislator Monell  
Legislator Roberts  
Legislator Weston

### Guests:

Matt Freeze, Reporter, Morning Times  
Duane Shoen, Insero & Co., LLP (*departed @1:35 p.m.*)

### Staff present:

County Attorney Peter DeWind  
Legislative Clerk Maureen Dougherty  
Deputy Legislative Clerk Cathy Haskell  
Personnel Officer Bethany O'Rourke (*arrived @ 1:20 p.m.*)  
Chief Accountant/Budget Officer Rita Hollenbeck  
Treasurer Jim McFadden (*departed @ 1:50 p.m.*)  
Commissioner of Public Works Gary Hammond (*arrived @ 1:24 p.m./departed @ 1:50 p.m.*)  
Materials Recovery Manager Ellen Pratt (*arrived @ 1:38 p.m./departed @ 1:50 p.m.*)

*Worksession commenced at 1:00 p.m. in the Hubbard Auditorium for a Public Hearing on Local Law Introductory No. C of 2017 – A Local Law repealing the wireless communications surcharge authorized by Article Six of the County Law of the State of New York; and imposing the wireless communications surcharges pursuant to the authority of Tax Law §186-g. Public Hearing adjourned at 1:01 p.m. and the Legislative Worksession resumed at 1:04 p.m.*

### Final Financial Statements for 2015:

Treasurer McFadden introduced Duane Shoen of the Insero Group; formerly known as Ciaschi, Dietershagen, Little, and Mickelson. Mr. McFadden reported Insero Group just completed the County's 2015 Financial Statements and Mr. Shoen is here to provide an overview of the results.

Mr. Shoen distributed draft copies of the 2015 financial statements. Mr. Shoen reported he is waiting for a couple of items from the Treasurer's Office before final documents can be distributed.

Mr. Shoen provided an overview of the documents and highlighted the following:

- **State Audit of Transportation Funds** – NYS DOT requires a specific audit of State transportation assistance in cases where the government has a Federal single audit and where there is a certain threshold of State transportation funds provided to the municipality. This audit identifies the programs that the County spent \$1.6 million dollars in for transportation assistance during 2015. Of this amount, approximately 75% is CHIPS, therefore, this required procedure testing of the CHIPS Program. Mr. Shoen reported the procedure testing was completed and no compliance or internal control issues were found. Legislator Sullivan inquired as to whether this is a new requirement. Mr. Shoen reported this requirement has been in existence for approximately 10 years, however, this is only required in certain instances when the municipality has to have a single audit and meet a \$100,000 or more threshold in State transportation funding.
- **Standard Communication Letter** – Auditing standards require the auditing firm to communicate certain matters with the government at the conclusion of the audit. Mr. Shoen reported this 3-page letter identifies there were changes to the County's accounting policies during 2015. Mr. Shoen reported the Government Accounting Standards Board (GASB), which issues standards for governments, issued some changes that became effective in 2015 with respect to how pensions are accounted for, therefore, information is included in the bound packet.
- **Management Comment Letter** – This document highlights findings and comments and the comment noted is related to the timeliness of bank reconciliations, which turns into the timeliness of the issuance of the report. Mr. Shoen reported this has been a long-standing issue under the old accounting system and there were some difficulties getting bank reconciliations done as a result of the financial software changeover. Mr. Shoen reported the delay was longer this year, but progress has been shown in 2017 and the Treasurer's Office seems to be much closer to being current.
- **2015 Financial Statement Bound Packet** – The first 3-pages following the index is the auditor's report. Mr. Shoen reported they issued a modified opinion on the County's financial statements, which is the best type of opinion to receive. This states that they believe the financial statements are fairly stated and no modifications are required.
  - **Auditor's Report** – this reports notes the changes in accounting principles (changes in pension standards).
  - **Single Audit** – this is the audit of federal expenditures, which they also offered an opinion.
  - **Management's Discussion and Analysis** – this is presented in a narrative format. Most of the information in this document is presented in a government-wide format, which provides a more comprehensive picture of the government.
  - **Chart of Capital Assets** – at the end of 2015, there was a net depreciation of \$66 million worth of assets recorded on the books.
  - **Statement of Net Position** – includes all the funds, capital assets, and long-term liabilities for the County as of 12/31/15. Total assets equal \$118 million dollars. Total liabilities equal \$102 million dollars. Net position equals approximately \$17.5 million dollars.
  - **Fund Level Financial Statements** – as of 12/31/15, the General Fund had almost \$33 million dollars in total assets. Total fund balance of \$21.5 million dollars including \$750,000 non-spendable, \$500,000 restricted fund balance, and \$2.3 million dollars in assigned fund balance.
  - **Self-Insured Funds** – these funds are reported as proprietary funds, so there are different statements.

- o **Notes to the Financial Statements** – this statement summarizes all of the significant accounting policies and provides detailed information included in the financial statements. Most of the information that is in the Summary of Significant Accounting Policies is unchanged other than the pension change. Changes in capitalized assets during 2015 reflects the County spent approximately \$4.6 million dollars in capital assets during 2015, recorded depreciation expense of approximately \$5 million dollars on the government-wide presentation, therefore, total capital asset increase by approximately \$1.7 million dollars from year-end 2014 to year-end 2015. In accounting standards, prior to this new standard being adopted, pension expenditures were reported based on what the County paid to the State. In this new presentation, it is now required that the State as a whole is required to actuarially determine what the net pension liability is for the entire State and then allocate that actuarial liability out to all the local municipalities in very small percentages. The County's financial statements are now reporting a net pension liability based on a percentage of the entire liability at the State level. As of 12/31/15, the County's share of that net pension liability is approximately \$2.5 million dollars, which is reported on the government-wide financial statement. None of this changes the fund level presentation. The fund levels are still presented based on what was paid into the system. The other significant change that is coming about as a result of this change is the same actuarial determinations also set up changes in expected investment earnings and a series of other changes that get reported to the government-wide basis. The requirements of the new standard are that the State's actuarial calculations estimate that the investments they make into the State system are going to grow at 7.5% per year. A 1% change in those investment expectations would change the County's net pension liability. At the 7.5% assumption, the liability is calculated at \$2.5 million dollars, however, if the State dropped their assumption to 6.5%, the County's net pension liability would increase to more than \$17 million dollars. Also, if the State increased the assumption to 8.5%, the net pension liability would actually become a net pension asset of almost \$10 million dollars. These numbers are very volatile based on changes the way the actuarial determination is calculated. Mr. Shoen reported the State recently dropped the percentage from 7.5% to 7%, therefore, the 2016 presentation will be shown at 7%. In regards to post-employment benefits, principally retirement health insurance, this is also an actuarial determination calculation. As of 12/31/15, the net obligation calculated at approximately \$52 million dollars. This is also something that is in the government-wide presentation, but not in the fund level presentation. This represents the promises made by the County to employees and retirees for health insurance after they retire. The Budgetary Comparison Schedule reflects the General Fund and County Road Fund. This schedule shows the comparison of the original budget and modified budget to the actual activity during 2015 for revenues and expenditures. In regards to revenues at the County level there was approximately \$2 million dollars less in the General Fund than the final budget, however, expenditures were approximately \$7 million dollars less than the final budget. As a result of the Federal funding that flows down through the State to the County, the auditing firm is required to do additional testing of programs. A list of Federal programs that the County spent money on during 2015 is included in this bound packet and in total this equates to \$15 million dollars that ultimately came from the Federal government, mostly to the State government, and then down to the County. Mr. Shoen reported the firm tested five (5) Federal programs; SNAP Program, Highway Planning, HEAP, Childcare Development Block Grant, and the Medical Assistance programs with no findings in respect to how these programs are operated at the County level. The only comment is the timeliness of the reporting.

Chair Sauerbrey inquired as to whether Mr. Shoen is currently working on 2016. Mr. Shoen reported he is and his staff has been on-site and conducted information gathering and they are waiting for a few items from Chief Accountant Hollenbeck in order to start the process. Mr. Shoen reported he is hoping to be on-site in September to present 2016.

### **Finance Report – Treasurer’s Office – Property Acquisition:**

Mr. McFadden reported at the July Finance Committee meeting he had received phone calls from people who wanted to come in and pay cash to buy their properties back. Since that time and before the Treasurer’s Office went live with the auction advertising, three or four individuals came into the office and paid cash for their properties.

Mr. McFadden reported he received a phone call from the Apalachin Fire Department expressing interest in purchasing one of the auction properties located on New Street in Apalachin. Mr. McFadden reported the back taxes are \$14,000 and they are willing to pay the back taxes, as well as the auctioneer’s fee, school taxes, etc. Mr. McFadden reported he believes they want to demolish the property and develop a road to the back of the Apalachin Fire Station. Mr. McFadden reported the Apalachin Fire Department has a meeting scheduled for tomorrow evening followed by a public hearing sometime next week providing the County is willing to pursue this request. In the meantime, Mr. McFadden reported this parcel has been removed from the auction sale. All legislators were in favor of pursuing the Apalachin Fire Department’s purchase request.

Mr. McFadden reported County Attorney DeWind was approached regarding another auction parcel that is a land locked small parcel located in Candor. Mr. DeWind reported this parcel was originally part of the Candor Fire Department property deeded to them from the Village of Candor. This parcel is similar in size and next to the County’s parcel that houses our emergency services towers as part of the interoperable grant. Mr. DeWind reported he spoke with Fire Coordinator Okrasinski and this parcel would be useful for them. This would have a very minimal value to anyone except one of the surrounding four neighbors. Mr. DeWind reported the intent is to keep this parcel as County property and perhaps merge this into our existing deed on the parcel that houses the tower at a later time. Mr. McFadden reported based on this request, he also pulled this parcel from the auction.

Mr. McFadden reported the Village of Owego is interested in purchasing the Dwight Harris parcel in the Village of Owego, therefore, this parcel has also been removed from the auction. Mr. McFadden reported a financial amount has not been discussed at this point.

Legislative Clerk Dougherty reported there are currently six (6) resolutions included in the meeting packet regarding auction parcels, however, per Mr. McFadden’s request, the Village of Owego parcel resolution will be pulled from the meeting packet.

Mr. McFadden reported the auction sale is being held this evening with 46 parcels up for sale, therefore, anticipates a late-file resolution for next Tuesday, August 15, 2017.

### **NYSAC Fall Conference (Syracuse, NY) – September 13-15, 2017:**

Chair Sauerbrey reported the NYSAC Fall Conference is being held in Syracuse, NY on September 13 – 15<sup>th</sup>. Chair Sauerbrey reported all legislators should have received a mailing with detailed conference information. Chair Sauerbrey reported if any legislator is interested in attending they should contact Ms. Dougherty to make reservations.

## **Approval of Worksession Minutes – July 20, 2017:**

Legislator Hollenbeck motioned to approve the July 20, 2017 Legislative Worksession minutes as written, seconded by Legislator Mullen with Legislators Hollenbeck, Huttleston, Monell, Mullen, Sauerbrey, Standinger and Sullivan voting yes with Legislators Roberts and Weston being absent. Motion carried.

## **Action Items:**

### **ACTION ITEMS FROM JULY 6, 2017:**

#### **ACTION ITEM #1 – 7/6/17 – Paying Costs for Demolished Properties –**

County Attorney DeWind reported we are currently waiting on the results from the Monroe County issue that is still pending. Legislator Sullivan recommended leaving this action item in place until such time information is known on the pending Monroe County issue. **This action will be carried from the August 10, 2017 Legislative Worksession.**

## **Legislative Support – Legislative Clerk Dougherty:**

### **Approval of Legislative Support Committee Minutes – July 6, 2017:**

Legislator Sullivan motioned to approve the July 6, 2017 minutes as written, seconded by Legislator Hollenbeck with Legislators Hollenbeck, Huttleston, Monell, Mullen, Sauerbrey, Standinger, and Sullivan voting yes with Legislators Roberts and Weston being absent. Motion carried.

Legislative Clerk Dougherty reported the following:

- The August Legislative Meeting is scheduled for Tuesday, August 15, 2017, at 12:00 p.m. in the Hubbard Auditorium. The Legal/Finance Committee will meet prior at 10:00 a.m. in the Legislative Conference Room.
- Legislator Sullivan will do the prayer and pledge and start the voting process at the August 15, 2017 Legislature meeting.
- Retirement Reporting Meeting – Met with Treasurer and Personnel Office staff regarding retirement corrections and clarification of process moving forward. Still working on issues. Another meeting is scheduled for August 17<sup>th</sup> at 9:30 a.m. to finalize the letter going back to the NYS Retirement indicating all discrepancies have been corrected.
- Legislative Budget is tracking well.
- Public Hearing on the sales tax extender was held on July 6, 2017 and the resolution was adopted at the 7<sup>th</sup> Regular Legislative Meeting on July 11, 2017. Received a letter from the NYS Taxation and Finance Department indicating the County is good for another three years.
- 2017 budget is tracking well.
- 2018 Legislative Budget is \$468,770, which includes salaries at the 2017 rates. The 2017 budget is \$499,887, therefore, coming in less for 2018. This is partly due to the \$15,000 that was allocated in 2017 for the IT Security Assessment/Audit RFP, which is not relevant for 2018. The 2018 budget continues to carry the salary for the Information Security Officer (ISO), which is then transferred to Public Health budget after the first of the year. The budget does reference some line increases/decreases according to current expenditures. The Legislative staff has determined that there will be zero vacation sell-back for 2018, as Ms. Dougherty and Ms. Haskell intend to utilize their vacation time. For 2018, there is a line item for non-union staff overtime in the amount of \$900.00 due to the possibility of the State passing legislation allowing non-union staff to be compensated for overtime if the annual salary is under \$47,000. All legislators were in agreement with the 2018 budget, as presented.

## Proclamation –

- ✓ **Immunization Awareness Month** – Public Health has indicated this is a new proclamation, therefore, Legislator Standinger will read and present at the August 15, 2017 Legislative meeting.

## Resolutions:

The resolutions for the August 15, 2017 Legislative meeting were reviewed and the following discussion occurred:

- ▶ **Authorize Extension of Curbside Recycling Contract** – Materials Recovery Manager Pratt reported the Public Works Committee did not have a quorum earlier today, therefore, requested she bring the resolution forth at today's worksession. Ms. Pratt reported she has a worksheet identifying it is cheaper for the County to extend the current contract versus doing a re-bid, therefore, recommends utilizing the remaining extension. Ms. Pratt reported the County currently has a 3-year contract with the option for extensions. Ms. Pratt reported we just completed the 2<sup>nd</sup> extension and we have one extension remaining. Ms. Pratt reported Taylor Garbage has expressed an interest in utilizing the last extension. Commissioner of Public Works Hammond reported Tompkins County just went out for bid and had a 49% increase per household and we believe we would be forecasting a similar increase. Currently, if the County chooses to opt for a re-bid, we are potentially looking at a CPI increase of 8%. Historically, Ms. Pratt reported Tioga County had a 44% increase, therefore in-line with Tompkins County's current bid. Legislator Standinger inquired as to whether Ms. Pratt is satisfied with the work that is currently being done. Ms. Pratt and Mr. Hammond both stated they were satisfied with the current vendor and the work being done. Mr. Hammond reported he did not believe we would secure a better deal than the extension being proposed. All legislators were in favor of this resolution moving forward for Legislature consideration at the August 15, 2017 Legislature meeting.
- ▶ **Authorize the Sale of County Owned Property Located in the Village of Owego to the Village of Owego** – Mr. McFadden requested this resolution be pulled from the meeting packet, as the Village of Owego does not have a signed agreement at this time. All legislators were in agreement to pull this resolution from the meeting packet.

Legislator Hollenbeck reported the Personnel Committee did not have a quorum earlier today, however, Legislators Hollenbeck, Sauerbrey, and Standinger were in favor of the following two personnel related resolutions moving forward for Legislature consideration at the August 15, 2017 Legislative meeting:

- ▶ **Create and Fill Seasonal Social Welfare Examiner Position and Seasonal Office Specialist I Positions for the HEAP Program Department of Social Services** -
- ▶ **Authorize Donation of Vacation Days or Compensatory Time (Sheriff's Office)-**  
Legislator Sullivan inquired as to whether the County has allowed this in the past. Personnel Officer O'Rourke concurred this has been done a few times. Ms. Dougherty reported the donation of vacation and/or compensatory time came about as the County continues to have a moratorium on the donation of sick time. Sheriff Howard reported Policy 21 indicates the moratorium has been in place since 1998 for donation of sick time. Ms. Dougherty reported she believes the Legislature at the time felt there was an abuse of sick time where employees were using their time as fast as it was accrued and then when a need arose these same employees were accepting donated time from fellow employees. Legislators expressed an interest in re-visiting the sick leave donation moratorium, however, acknowledged this is a separate issue from the resolution presented for vacation/compensatory time donation. In regards to re-

visiting the sick leave donation moratorium, Legislator Sullivan reported she would like to know how many occasions there has been a request for the Legislature to reconsider this policy and the moratorium.

All legislators were in favor of the two personnel resolutions moving forward for Legislature consideration at the August 15, 2017 Legislature meeting.

**Other:**

***Senator Akshar Visit*** – Chair Sauerbrey reported Senator Akshar will be attending the September 7, 2017 Legislative Worksession, per his request. The purpose of the visit is to establish a dialogue and hear the concerns or issues of the Legislature and/or their constituents. One topic of concern is the excessive costs that the County will incur due to the recent drug arrests and whether there is any assistance available to offset these costs. Ms. O'Rourke inquired as to whether the Department Heads could offer concerns/issues for the Senator's discussion. Chair Sauerbrey reported this topic can be addressed at the next Leader's Meeting. Legislator Sullivan requested Chair Sauerbrey note the Senator's visit as a reminder on the August 24, 2017 worksession agenda.

**Executive Session -**

Motion by Legislator Hollenbeck seconded by Legislator Sullivan to move into Executive Session to discuss contract negotiations. Motion carried to go into Executive Session at 2:00 p.m. County Attorney DeWind and Personnel Officer O'Rourke remained in attendance.

Executive Session ended at 2:37 p.m.

Meeting adjourned at 2:37 p.m.

Next worksession is scheduled for Thursday, August 24, 2017 at 10:00 a.m.

Respectfully submitted by,  
Cathy Haskell  
Deputy Legislative Clerk