

FINANCE COMMITTEE

March 8, 2016

Present: Doug Paddock, Gary Montgomery, Ed Bronson, Elden Morrison, Bonnie Percy, Jim Multer, Dan Banach, Leslie Church, Earle Gleason, Mark Morris, Terry Button, Jim Smith, Connie Hayes, Tim Dennis, Pat Brede, Ashley Doyle, Nonie Flynn, Tim Cutler

Doug and Mark will do the audit this month

Minutes of the January and February meetings were approved as presented.

Planning – Tim Cutler

Tim reported there was no February Planning Board meeting due to a lack of a quorum. Several applications were pending which were approved by default.

Tim explained there are still open seats on the Planning Board for the Town of Potter, Town of Benton and one at large seat.

Tim reviewed the following resolution that would be needed, the Committee approved.

- Reappoint Members to the Yates County Planning Board

Tim reported with regards to the Open Access Network, a meeting was held on February 5th with STN, ECC and Yates County to clarify contractual relationships between Yates County, ECC and STN. There is clear recognition that operations and sales and marketing was not going to be managed directly by Yates County that it was going to be STN's responsibility and was going to be managed by contract between STN and ECC. Tim stated it is his understanding that ECC and STN have entered into those discussions and are negotiating a contract that will handle a lot of what STN listed in their invoices as professional services relating to operations, sales and marketing. Tim has not seen the contract at this point, but he feels once they get it worked out they will share it with the county.

Tim Dennis stated this will involve Yates County's financial support during that period of time. The invoices will be coming to us from STN. We did negotiate that during that period time any revenue that comes in will offset those expenses just as the IRU called for. During the teleconference there was discussion as to what we expected to see on the statements and we also talked amongst ourselves whether we wanted the invoicing on a time and materials basis's or on a flat fee. We decided with Tim Cutler's input that we would continue with the flat fee. We also made it very clear to them that we would not be paying anything until there was a contract in place.

Gary questioned if the flat fee was the \$100 per hour?

Tim Dennis stated no, it was the approximate \$5,000 per month flat fee for January thru September of this year and the approximate \$3,000 for October, November and December of 2015.

Tim explained, what Tim Dennis is talking about is a term that is often used with government contracts referring to a firm fixed base contract. It doesn't mean the county would have no leverage in the contract. Basically it doesn't get negotiated on a line item bases it is a firm fixed based contract (FFBC). That FFBC will outline specific deliverables in order for them to be paid. They have to do this in terms of the services that we expect as the county. The same thing will hold on the third contract that we expect to see as soon as the lawyers for STN and ECC get

done with it, which will be the Grant Disbursement support. Tim is expecting that to be proposed at \$2,000 a quarter for 2016 to support our grant disbursement requirements. Tim explained all contracts will have specific deliverables that are expected to come from ECC and be provided files and background documentation as well as what we require for reporting requirements so we get out from under this thing where we get a bill from ECC and then we spend the next 6 weeks trying to figure out what exactly is that bill for.

Tim Dennis explained STN has a contract with ECC for the construction. They do not have a contract with ECC nor did we have a contract with ECC for the services that are being provided from October 2015 through the end of September 2016. In the teleconference we had, STN expressed their decision that when they put their package together that package was based on operations once it was turned over to them. As the discussion went on it was clear that there were only three options. One was, we work this out and Yates County would pay for the activity, second, STN would pay for the activity and then they would figure out how to recoup it and three, we would stop operations until the network is built and then start back up with sales. The participants in the teleconference determined that the third option made no sense. Yates County will be held responsible for that expense at the beginning or the end however it works out. ECC admitted during the teleconference that this was an oversight. This activity has not been fully spelled out outside of the IRU.

Jim Smith stated while this might have been an oversight he believes that it was all the parties assumption that those activities would be included as part of the IRU. What we are faced with is totally unplanned for and unexpected cost. If this was an oversight as ECC explained. It is an oversight between STN and ECC. To further confuse the issue, we don't have a clear articulation what the activity is for some reason we have fixed price going back in time. The approximate \$3,000 for October, November and December 2015 and \$5,200. Jim doesn't understand how you get to an agreed price before there is a defined scope of work. Jim would not be able to support that kind of nonsensible business transaction. What we are essentially talking about is presale activity by an entity. In this kind of situation you could be negotiating with a customer for more than a year before you actually close a deal. Jim does not find any comfort in the county being billed for the presales activity and in exchange for that we receive the revenue. Jim suggested making sure the revenue started after the expenses were incurred so that it is not shared. Jim is uncomfortable with the fiber activity. Shame on us, we have already paid this invoice on a contract that doesn't exist for work that we don't know what it is.

Tim explained that ECC is refunding the \$11,000 that was paid on the invoice that has been in question.

Tim reported he is still waiting on the details for the 2015 invoice from ECC and once received, Tim will share with the Legislature.

Elden explained it would seem to be more efficient to get the Legislature at least partially on board because he will not support what he has heard so far. What will happen is we will end up another couple of months down the road there is going to be added pressure to approve this to avoid delays. Those of us who resist are put in a bad position regarding that. Elden's position when it comes to the invoice and the sales part of this, we weren't in it from the start and he will not be in it now. Elden would like to see the \$60,000 eliminated.

Tim Dennis stated that there is a STN Board meeting Thursday and he has heard from a minority of this board that they want to say stop. They don't want any more activity pertaining to the operations and sales until it is turned over to STN. Tim needs to know if this is the opinion of the majority of committee to start with and the board in general before the meeting on Thursday.

Doug stated that one way the committee could handle this is to offer a resolution for the chairman to carry to the STN Board stating the will of the Finance Committee is that they stop all activity to marketing. Doug asked if someone on the committee would like to offer that resolution. Based on the lack of a motion it would be the opinion of the Finance Committee to continue.

Tim Dennis stated that all the comments that have been made are accurate and to the point. Tim Cutler and he are actively working to address them.

Jim moved in consideration of the moneys that have already been paid to ECC that we agree to not fund the sales and marketing for the remainder of this year, seconded by Gary. VOTE: motion failed 3 -2 with one abstention.

Tim reviewed the project budget that was provided by ECC. The overall budget remains under by \$52,456 and is expected to be completed by the third quarter of 2016.

Tim reported a letter of interest was submitted to the USDA/EPA sponsored Cool and Connected planning assistance program on 2/24/16. If selected, we would receive expert assistance in planning for deployment and rollout of network services for economic development.

Tim reported with regards to Penn Yan Marine, Iverson has submitted a plan to the Village of Penn Yan for preliminary review and Tim expects it to be referred to the County Planning Board next week.

Tim reported with regards to Transportation, the survey is still open. Mary Zelazny is planning to sponsor a community forum for additional input and feedback. Tim will be meeting with the committee in March to organize a plan for acquiring funding and moving forward.

Tim reviewed the following resolution that would be needed the Committee approved.

- Resolution authorizing Yates County Treasurer to make payments to Keuka Housing Council prior to the monthly audit for administration of a community development block grant

Real Property – Patricia Brede

Pat reported she has begun working on the tentative roll.

Pat reported 6 towns and 1 school district have followed with the senior exemption for the Veterans exemption. There is only one town that has not caught up with the rest of the County.

Treasurer – Nonie Flynn/Budget Officer

Nonie introduced Ashly Doyle as her new Deputy and thanked the Committee for allowing a training period.

Nonie reviewed the 2016 Appropriations.

Nonie reviewed the Sales Tax Report which showed sales tax is down 3.7%.

Nonie reviewed a Sales Tax Analysis which shows sales tax is almost 1/3 of the revenue for the county. The average 5 year change was 3.54% with the fuel sales tax revenue and without the fuel sales tax revenue the average is 3.66%. The average 11 year change was 2.82%.

Nonie stated that NYS is projecting 2016 to be stronger than 2015 for sales tax. So far this year the sales tax revenue does not look to be stronger. Nonie would like to get a whole quarter of reports in hand before any changes to the expenses are made.

Nonie reviewed what is due from Federal & NYS which is \$2,035,636.97.

Nonie reviewed the Cash Flow Report, she is comfortable with this but is anxious to see what the lag time for the fiber reimbursement is.

Nonie reported 46 parcels were foreclosed on. Nonie would like to auction the properties with Purring Auctioneers their commission would be 4%. Nonie would like to have the auction 4/18 at 6:00p.m. Nonie will have the necessary resolutions needed for Monday's meeting.

Nonie reported the auditors will be back one more day in March.

Nonie reported she attended the Treasurer's meeting and the projected tax cap for this year is .29% to .49% depending inflation.

Nonie reported with regards to the Health Care Reform Reporting, the Treasurer will be printing the 1095C forms.

Nonie reviewed the 2016 Foreclosure List.

Nonie reviewed the following resolutions that would be needed. The Committee approved.

- 2016 Budget Transfers
- Appropriate Occupancy Tax Reserve
- Appropriate Carry-over of IAP Grant (Public Health)
- Appropriate Carryover Of Indigent Legal Services Grant (Public Defender)

Doug reviewed the following resolution that would be needed, the Committee approved.

- Resolution to Chairman To execute Certain Documents at the Request of the Village of Penn Yan Concerning Access To the Penn Yan Marine Property

Tim Dennis reported he is appointing Tim Cutler to the Genesee Finger Lakes Regional Planning Council as his representative replacing Don House.

Jim moved to enter into executive to discuss the proposed lease of real property, contract negotiations regarding a particular person or corporation and the employment history of a particular person, with the County Attorney and all Legislators present, seconded by Mark.
VOTE: Unanimous

Meeting adjourned at 5:26p.m.