

Minutes
Audit & Control Committee
July 16, 2026, 8:35 a.m., Legislative Chambers
Livestreamed on YouTube
Gerace Office Building, Mayville, NY

Members Present: Pavlock, Nelson, Anthony, Scudder

Members Absent: Johnson

Others: Chagnon, Lee, Swan, Wendel, Wereski, Roosa, Makowski, Card, Rothwell, A. Gustafson, Pacos, Carlson, Guttman, Torres, Ellis, Button, McCoy, Lyons, Zafuto, Ihrig, Walsh, Sharp, Allison Price, and Jared Pickard

Complete video of meeting can be viewed on YouTube

Chairman Pavlock called the meeting to order at 8:45 a.m.

Approval of Minutes (06/18/26)

MOVED by Legislator Scudder, SECONDED by Legislator Anthony to approve the minutes

Unanimously Carried

Privilege of the Floor

No one chose to speak at this time.

Discussion –

310-322 East Third Ventures, LLC – Regarding Potential Lease Property—*Presented by P.J. Wendel, County Executive and Jeff Wereski & Joe Roosa, East Third Ventures, LLC.*

Proposed Resolution – Authorize Lease Agreement with 310-322 East Third Ventures, LLC—*Presented by P.J. Wendel, County Executive and Jeff Wereski & Joe Roosa, East Third Ventures, LLC.*

Unanimously Carried

Local Law Intro. 9-26 – A Local Law Opting Out of RPTL Section 487 Tax Exemptions for Certain Equipment and Energy Systems—*Presented by Bob Scudder, Legislator*

Discussion Item Only- Action taken at full Legislative Meeting

Local Law Intro 10-26 – A Local Law Amending Local Law 7-1990, As Amended, Relating to the Management Salary Plan by Providing for an Annual Adjustment of Management Salary Ranges Based Upon the Consumer Price

Discussion Item Only – Will be withdrawn at full Legislative Meeting

Local Law Intro 11-26 – A Local Law Amending Local Law 6-01 Regarding Budget Procedures After Issuance of Annual Tentative Budget—*Presented by Kitty Lyons, Director of Finance*

Discussion Item Only – Action taken at full Legislative Meeting

Resolution 166-26 – Amend Chautauqua County Department of Mental Hygiene and Social Services 2026 Budget for Increased Safety Net Costs (*Referred back to Human Services and Audit & Control Committees during the June 2026 Legislature meeting*)—*Presented by Blake Ihrig, Director of Administrative Services with the Department of Finance*

Withdrawn by Sponsor

Proposed Resolution – SCCLSD Sewer Rates—*Presented by Tom Walsh, Director of South & Center Chautauqua Lake Sewer Districts*

Unanimously Carried

Proposed Resolution – Amend 2026 Budget for North Chautauqua Lake Sewer District—*Presented by Jennifer Swan, Budget Director*

Unanimously Carried

Proposed Resolution – Amend Petty Cash Fund Amount at the South County Transfer Station—*Presented by Aaron Gustafson, Manager of the Chautauqua County Landfill*

Unanimously Carried

Proposed Resolution – Amend D.5112 Capital Improvement Accounts—*Presented by Tim Card, DPF Director*

Unanimously Carried

Proposed Resolution – Authorize Extension of the 2025 Vote by Mail Grant Award from the New York State Board of Elections—*Presented by Luz Torres, Election Commissioner and Nacole Ellis, Election Commissioner*

Unanimously Carried

Proposed Resolution – Authorize Acceptance of FY2023 HazMat Targeted Grant Program Funds—*Presented by Sam Zafuto, Deputy Director of Finance and Noel Guttman, Director of Emergency Services*

Unanimously Carried

Proposed Resolution – Authorize Acceptance of FY2024 HazMat Targeted Grant Program Funds—*Presented by Sam Zafuto, Deputy Director of Finance and Noel Guttman, Director of Emergency Services*

Unanimously Carried

Proposed Resolution – Authorize Acceptance of FY2025 Emergency Management Performance Grant (EMPG25) —*Presented by Sam Zafuto, Deputy Director of Finance and Noel Guttman, Director of Emergency Services*

Unanimously Carried

Proposed Resolution – Amend Office of Emergency Services 2026 Budget—*Presented by Sam Zafuto, Deputy Director of Finance, Noel Guttman, Director of Emergency Services, and Tim Carlson, Senior Paramedic with EMS*

Unanimously Carried

Proposed Resolution – Government Reduction Initiative Assistance for Town of Pomfret for North Chautauqua County Re-Organization Plan—*Presented by Lauren Sharp, Senior Planner with the Department of Planning & Development and Dan Pacos, Town of Pomfret Supervisor*

Unanimously Carried

Proposed Resolution – Approve Dunkirk Lighthouse and Veterans Park Museum Non Pointsource Grant Application—*Presented by Dave McCoy, Chautauqua County Watershed Coordinator*

Unanimously Carried

Proposed Resolution – Approve Bemus Creek Local Waterfront Revitalization Program Implementation Grant Application—*Presented by Dave McCoy, Chautauqua County Watershed Coordinator*

Unanimously Carried

Discussions –

2025 Audit Presentation – *Presented by Allison Price, Senior Auditor and Jared Pickard, Senior Manager with Drescher and Malecki, LLC*

Investment Portfolio Update – *Presented by Kitty Lyons, Finance Director*

Kitty Lyons: Hello again, Kitty Lyons, Director of Finance. Before I get into the investment portfolio, I do want to recognize Todd Button, who really does the majority of the work, the bulk of our work on our county audit. He works almost seven days a week for a few months at a time on the audit, and so he really deserves all the credit.

Chairman Pavlock: Thank you.

Legislator Scudder: Good job.

Legislator Chagnon: And he's easy to work with? *(laughter)* That's what the auditor said.

Legislator Scudder: Must be they're in agreement, Pierre. *(laughter)*

Todd Button: I've heard he's a nice guy, depending on who you talk to.

Chairman Pavlock: He's friendly with the auditors, Pierre, but then when you call him, what does this guy want? *(laughter)*

Kitty Lyons: Okay, just as a reminder, the- a previous audit follow-up now requires us to take minutes of when we're-when I'm updating the committee on the investment portfolio. So, I try to make this a little different every time just to, kind of, over time give you different components of the program. But what I handed out today is one of the exhibits that's included in the monthly investment report that's filed as a communication. But this is, you know to me, just a good summary. On the bottom there is our current year to date. And in- across the columns we have you know, the first section is our long-term investments then our short-term investments and then we've separated out you know, the ARPA interest earnings just because we've been tracking that separately, as you know. So, but then, this gives you at least the last two years, you know, monthly comparisons and then, you know, the top section just goes all the way back to 2013 to show our investment balance earnings and interest percentages. So just a couple comments on the long-term investments. Those you know, the bulk of-the bulk of what's in our long-term investments are, you know we work closely with the liquidity partners to help us know like how long and how much money we can have tied up, you know, for certain durations of

time. Because one of the you know, foundations of our policy is you know liquidity to make sure that we have the funds available when we need to pay our bills and so they closely monitor like that-that figure for us. So, we like to maximize what we can of the fund balance that we have or the reserves we have or the current year cash that we have while we're holding it. We want to make sure we can earn interest on it to the best of our ability. So, some of that's in long-term and some of that is in you know shorter term investments. The short-term investments are primarily, since the New York MuniTrust became an option, that's an investment pool, municipal investment pool, available to counties and other municipalities of New York State. So that really holds our current year cash. So, as our taxes are flowing in, we're moving most of that current year budget into that investment pool because it is extremely liquid. We can put money in one day and take it out the next day. So almost on a daily basis, Todd's moving funds over to that investment pool and then, you know, on a weekly basis as we need to pay our bills, we'll pull the money back out so that in the short-term we are earning some interest on that you know current year cash. A lot of our, as you can imagine, our normal cash flow needs are you know payroll expenses every week or you know, accounts payable every week but you know we do have our big pension payment at the end of the year which is, like, I don't know, thirteen million dollars?

Todd Button: It'll be fourteen million dollars this year and was twelve million last year.

Kitty Lyons: So, that's a big expense at the end of the year so while we collect the taxes you know starting in January, and we have the bulk of the tax collections in the you know second quarter we're holding that cash but we know we have at least one big bill at the end of the year so we'd like to have those funds invested until we actually need them. So, those are a couple of the strategies that that we have implemented to make sure we're maximizing the yield. Just another you know thing to note, if you look on this chart, May of last year compared to May of this year, you can see last year we had, for long term investments anyways, about eighty-five million invested that, at that point in time in May of this year, that's seventy million and a couple things you know generally attributing to that is one, as you just heard from our auditors, we did use about eight and a half million of fund balance, you know, in closing out, you know, 2025. So that's eight and a half million dollars less cash that we have on hand to invest. So, that I'm just-it's not a good thing or a bad thing. I'm just explaining, you know, the reason why the portfolio has decreased about fourteen million dollars from last year to this year. So that was, in part, just the additional fund balance that was used in 2025. The majority of the rest of that is due to cash needs for probably some bigger capital projects. So, as a matter of borrowing, we don't usually issue serial bonds until a project is completed. But in the meantime, we still have to pay the bills on those capital projects and then once we know the final cost of the project, we'll issue serial bonds for that.

Chairman Pavlock: Kitty, to elaborate on your statement of, you know, utilizing some of the fund balance and it affects the earnings, I suppose. A rough number, what would your projection be that was, I mean, oh, a loss of revenue of one hundred thousand dollars, ten million dollars, you know, you said we're down an investment of fourteen million but we have to-

Kitty Lyons: It is a little hard to say because it's, you know, rates fluctuating year to year, too.

Chairman Pavlock: Let's just say you invested eight million dollars into your, you know, expected rate that you experienced last year, what would that be?

Kitty Lyons: Yeah, I'd have to calculate a figure for it, it's not something I would feel comfortable stating off the top of my head, but I mean, I can come up with an analysis just to say roughly, you know, where you're look- you know, even if you look at year-to-date earnings through May of this year, we're nearly five hundred thousand. You know, May of last year, it's different, but there's also fluctuations in the market that would-

Legislator Scudder: There's no way to-

Chairman Pavlock: Right. Yeah, I get it.

Legislator Scudder: That's a great question.

Legislator Nelson: I think what you're saying is that the fund balance goes down, we have less to invest, so we're going to earn less.

Kitty Lyons: Yeah, we have less to invest, so we're going to earn less but I think that the main point, I think, is that we want to make sure that we have as much invested as we can at any given time while making sure we have the liquidity to pay our bills when we need to and so-

Chairman Pavlock: And it's, it's a hard thing to consider and I know that, you know, we even calculate the earnings of you know, so, my point is, I don't expect that we, you know, well, geez, we have a huge fund balance so we can get the earnings off from it. That's not my point.

Kitty Lyons: Yeah, yeah

Chairman Pavlock: That's not my point. My point is, it is something that we consider when we're discussing that and I just was curious if you had a rough figure, but I'm just curious-

Todd Button: I would just point out with this discussion that if you separate basically the two components of how we invest our funds as Kitty mentioned earlier, we use the New York Muni fund to basically manage our current year revenues to cover current year budgets. And that's been a pretty successful instrument for us over the last, what's it been, four years now. We're currently making-we're currently yielding about 3.64% on that money there. The other side of the investment, the investment portfolio, which is the long-term investments we have is basically a representation of what our combined fund balance is over all funds from general funds to road and machinery and enterprise funds, as well. The important thing to note with the general fund fund balance being representative of that investment portfolio is that the primary driver of our funding for capital reserve projects. So, the fact that we're sitting here now, a year, six months in, we're running about ten million dollars less than where we were last year due to the combined effect of what we utilized our fund balance in '24 and what we utilized in '25 and we had to take some significant liquidations back in February to enhance our cash position locally. But that is going to give us a reduction in our available capital reserve funding going into next year. And the capital reserve currently is depleted. Alright, we don't have any of it right

now. So, that's the good thing about our investment portfolio is it gives us that alternative financing for capital projects that you would otherwise have to either tax for or borrow for completely. We have some further risks or extensions this year because we have some capital projects that we're anticipating having to bond for that we're sort of in the middle of developing, you know, between the big project down at DPF in Falconer and some of the sewer district issue projects we're working on and a couple JCC projects and whatnot. But, not to mention the fact that we are also financing or about to start financing the IDA's project up in Ripley for that five million dollar rolling development. So, that will be a drag on our resources as well.

Chairman Pavlock: You know, I thank you for pointing out the detail regarding that because some of the newer members on the committee may not understand that or known that, in sense of how our capital reserves are accumulated and funded and so, it's an important thing and I, as you know, as any of us know, our capital projects you know as the county executive stated earlier today, the footprint of this particular building hasn't changed in many years. You know, we always are faced with capital projects and probably quite frankly, I'll say that we're always behind. And really, we should need to be-get ahead somehow or another, but we're not unique in that situation. Everybody's always behind. And it really comes down to the dollar. So, you know, we have a potential, you know, we've discussed jail projects for years. That's a huge capital project that you know, it's very important that we maintain those capital reserve funds and consider how the funding is, so I certainly- we see the ramifications of utilizing some of those funds we have sitting around. We don't have-we're not earning as much to replace those funds that we're using. So, you know, it may come to a time where we have to consider how else we fund that.

Kitty Lyons: Yeah, capital projects, it's just that the investment earnings are dedicated toward capital projects, but you know, we can utilize any other funds for capital projects.

Chairman Pavlock: That's right.

Kitty Lyons: So, that was some of the main points that I wanted to talk about today. As you know, we recently approved and added a local bank to the investment policy. Other than that, I don't anticipate any particular changes to the policy at this time or in the foreseeable future. So, unless you have any other questions for me.

Chairman Pavlock: Any questions or comments regarding the-

Legislator Scudder: I'm just going to read through this real quick. Look at that thing.

Chairman Pavlock: Pierre will be happy.

Legislator Scudder: Yeah, his pillow will be a little higher. *(laughter)*

Chairman Pavlock: Not hearing any questions, Kitty, thank you for presenting today and I'll make sure to review the minutes for the next meeting. *(laughter)* So, that concludes our discussion items that are on the agenda.

MOVED by Legislator Nelson, SECONDED by Legislator Scudder to adjourn

Unanimously Carried (11:34 PM)

Respectfully submitted and transcribed,
Olivia L. Lee, Clerk of the Legislature/Amanda Guillory, Senior Stenographer