

WARREN COUNTY BOARD OF SUPERVISORS

COMMITTEE: **BUDGET**

DATE: February 6, 2008

Committee Members Present:

Supervisors Geraghty
Belden
O'Connor
Champagne
Kenny
Sheehan
Merlino

Others Present:

Frederick H. Monroe, Chairman of the Board
Hal Payne, Commissioner of Administrative &
Fiscal Services
JoAnn McKinstry, Deputy Commissioner of
Administrative & Fiscal Services
Joan Sady, Clerk of the Board
Francis X. O'Keefe, Treasurer
Richard Murphy, Deputy Commissioner of Fiscal
Services
Representing Department of Public Works:
William Lamy, Superintendent
Bruce Belden, Auto Mechanic Supervisor
Paul Butler, Director, Parks, Recreation &
Railroad
Todd Lunt, Human Resource Director
Supervisor Thomas
Supervisor Haskell
Supervisor Stec
Supervisor Strainer
Debra L. Schreiber, Sr. Legislative Office
Specialist

Mr. Geraghty called the meeting of the Budget Committee to order at 11:30 a.m.

Motion was made by Mr. O'Connor, seconded by Mr. Kenny, and carried unanimously to approve the minutes of the previous Committee meeting, subject to correction by the Clerk.

Mr. Geraghty commenced the meeting by welcoming all new Committee members and apprising them of the Department Head meeting that was held last week whereby they discussed affecting their obligation to control the County Budget, as well as the supervisors accepting their share of the responsibility. Mr. Geraghty noted the 2008 County Budget increased approximately \$83,000 at the *January* Personnel and Finance Committee meetings and he was hopeful these Budget Committee meetings would encourage all parties to work collectively to reduce the expenses in Warren County.

Continuing on with Item 2, Francis X. O'Keefe, County Treasurer, stated they had no alternative except to bond the various projects they had undertaken, the question remained as to how much. Based on the commitments of the County, he said, he compiled a "Bonding List" that totaled \$27,314,000. With respect to the Department of Public Works (DPW) equipment, he suggested, reducing the term of the bond and seek other options besides bonding a \$14,000 vehicle over five years. While many of the items listed on the Bonding List were necessities, he indicated, they should proceed with caution in bonding the DPW equipment.

Frederick Monroe, Chairman of the Board, commented the County obligation to the Hartford Burn Plant ceased in 2010, thereby eliminating the \$2.5 to \$3 million County payment due to a shortfall on that project. He suggested the Committee consider doing a BAN (bond anticipation note) on the DPW equipment and pay it off in 2010. Mr. Belden asked whether a twenty year bond on the Health & Human Services building and a five year BAN on the DPW equipment would be financially feasible for the County. As Chairman of the DPW Committee, he said, the amount budgeted for equipment had been eliminated for the past two to three years during the budget process and they desperately needed to replace some of these vehicles. However, as a Warren County taxpayer, he stated, he concurred with Mr. O'Keefe that bonding a \$14,000 vehicle did not appear to be prudent spending. Mr. O'Keefe recommended a 20 or 25 year bond on the DPW equipment which could be broken into five year increments. Mr. Geraghty said he asked Mr. O'Keefe to attend the meeting so he could offer some recommendations to the Committee that would be in the best interests of the County.

Mr. Champagne said it was his understanding the \$1 million requested on behalf of the Adirondack Community College (ACC) higher education building would be reduced by any funding raised to support the project. At this particular time, he stated, he was unaware of the amount raised and when that would be determined. Mr. O'Keefe replied he anticipated going out to bond at the end of 2008 or beginning of 2009 and these figures reflected on the Bonding List were just rough "guesstimates." If the County did not bond until 2009, Mr. Belden said he was concerned the equipment would fail and the County could shut down. Mr. Geraghty responded the bonding for the DPW equipment had been approved by resolution. Messrs. O'Keefe and Monroe concurred that the County could request a BAN on the equipment until a definitive amount had been determined.

Mr. Champagne asked whether there were alternatives to funding the \$300,000 anticipated to settle the PBA (Police Benevolent Association) contract from a bond or BAN and Mr. Monroe replied the Committee could approve a budget note, which would ultimately increase the 2009 County budget.

A discussion ensued.

Mr. Belden noted the Fire Prevention & Building Code Enforcement Department operated on an eighty percent revenue. He said if their revenue increased in 2008, perhaps they could utilize the funds within their budget to purchase the vehicle. Mr. Payne suggested they utilize a fleet car for 2008 and purchase a new vehicle in 2009. Mr. Geraghty indicated they would take the issue under advisement.

Mr. Belden asked whether Dave Wick, District Manager, Warren County Soil & Water Conservation, had considered a prefabricated building, which would save the project approximately \$200,000. Mr. Payne replied he was unsure whether that had been determined due to the Wicks Law.

Mr. Monroe said Warren County would have received some federal funding had Hurricane Katrina not devastated New Orleans; however, he asked whether this flood damage should now be written off as a County expense. Mr. Payne suggested it be included on their list of appropriations requested by Congresswoman Gillibrand. In response to an inquiry by Mr. Belden, Mr. O'Keefe replied the County was paying a \$90,000 interest payment each year.

Mr. Champagne commented he had overheard a lot of discussion relative to selling the Airport, which would eliminate the cost of improving the old maintenance hangar; however, he queried whether there was enough interest in selling the Airport to a private entity. Mr. Payne advised that Leonard Fosbrook, President of Economic Development Corporation (EDC), had hired a company from Kentucky to perform a study relative to privatizing or leasing the Airport and the entire Airport budget had recently been forwarded to this firm.

Mr. Monroe apprised they had received an offer on the Hartford landfill of \$3.2 million, however, he said, because they were uncertain as to its value, they hired some engineers to derive cost analyses. While Warren County attempted to negotiate a host benefit agreement, Mr. Monroe requested an RFP (Request For Proposal) for the purpose of determining the demand and value of the Hartford landfill. In response to an inquiry by Mr. Geraghty, Mr. Monroe replied the County would receive fifty percent of the sale proceeds. He asked that this matter be put on the agenda for the next Solid Waste and Recycling Committee meeting.

Continuing on with Item 3 of the agenda, Mr. Geraghty asked Mr. O'Keefe to update the Budget Committee on the total tax collections. In 2007, Mr. O'Keefe reported the total sales tax collected was \$45 million and the total gasoline tax collected was approximately \$3.1 million. After comparing the 2007 to the 2006 tax collections, he noted, the County only benefitted from a one percent increase while in previous years they received as much as ten percent. Until they experienced a significant drop in the cost of oil and gas, Mr. O'Keefe said he anticipated an overall decrease in the sales tax and probably occupancy tax, as well.

Mr. Geraghty stated the last item on the Budget Committee agenda involved the various Capital Projects the County assumed. He noted there was significant discussion about the train stations at the previous Parks, Recreation & Railroad Committee meeting, and William Lamy, Superintendent of the Department of Public Works, prepared an analysis that he wished to briefly review with the Budget Committee.

Mr. Lamy explained the original grant totaled \$2.5 million, of which \$2 million were Federal funds and required a \$500,000 local match from the County. Upon a review of all the resolutions involved with this project, he said, the only commitment they found was a \$71,000 transfer from the fund balance and the remaining \$429,000 would be appropriated through a bond anticipation note. As the project developed, Mr. Lamy indicated expenses were incurred, and the Parks, Recreation & Railroad Department requested their share of reimbursement; to date, the County had spent \$1,175,000 of the \$2.5 million. He further noted that \$940,000 of the total grant funds had been spent, leaving a balance of \$1.29 million in grant monies to move the project from this date forward. In order to receive the \$1,060,000 of grant money, he said, the County would be required to spend the \$1,060,000, as well as the local share of \$265,000. In addition, he said, approximately \$164,000 had to be appropriated or identified from County resources as the local share for the amount of the project they completed to date.

When a Committee receives a request to establish a capital project, Mr. Belden stated the County should deposit their share of that particular Capital Project account, thereby eliminating any shortfalls. Over the past few years as part of the Budget process, Mr. Lamy explained that he and Joan Sady, Clerk of the Board, requested the local share of each Capital Project be deposited into the A.9950 (Transfer - Capital Projects) account, based on their estimated total expenses for the year. He said they were underappropriated in previous years and this was their attempt to identify the funds in each budget year so they were not overlooked.

In response to an inquiry by Mr. Haskell, Mr. Lamy reiterated they were awaiting receipt of approximately \$1,060,000 in Federal funds; however, he said, in order to receive those monies, Warren County would be required to spend \$1,325,000 (which included eighty percent of the federal funds), and appropriate another \$164,000 to bring the project up to date with what they had already accomplished. Mr. Geraghty explained the County was committed to finish the project or reimburse the grant funds that had already been expended.

Mr. Belden asked if the funds could be divided and Mr. Lamy replied the grant required each (Towns of Hadley and Thurman) station to be "functionally complete", which was defined as being able to access/depart from the train. In addition, he apprised the "turn around" must be switched to the opposite side of its current location and he anticipated there being sufficient funds to make these necessary improvements. After they reviewed the Parks, Recreation & Railroad budget, Mr. Lamy explained they met with Clough, Harbour & Associates and found alternatives to making each station functionally complete utilizing some of the funds in the account and still potentially maintain a balance of \$300,000 to \$400,000 in the account, depending on which option was chosen. In 2007, Mr. Merlino related the Town of Lake Luzerne was denied their funding request of \$500,000 in Federal funding for the station; however, he said, he was advised to reapply in 2008.

Mr. Lamy stated he was advised via email that on October 6, 2006 the remaining federal funds for this project were withdrawn by FHWA due to low activity and with the stipulation the funds be reauthorized should the County decide to complete the project. Subsequent to this meeting, he said, their Department would discuss with the NYS Department of Transportation (DOT) and Clough, Harbour & Associates to determine how the Federal funds could be reauthorized.

In response to an inquiry by Mr. Belden, Mr. Lamy replied they met with Clough, Harbour & Associates to determine how they could best complete the job with the available funds. According to Clough, Harbour & Associates, he said, they would notify the NYS DOT of the County's position to move the project ahead. Mr. Belden stated it was his opinion this matter should be referred to the full Board for consideration. He further asked how much the County would be penalized should they decide not to proceed with the project and Mr. Lamy responded he would make inquiry. Mr. Lamy questioned whether he should advise Clough, Harbour & Associates that the Board would decide the outcome of this project at the February 15, 2008 Board Meeting and Mr. Belden responded this Committee must first refer this matter to the full Board.

Motion was made by Mr. Belden, seconded by Mr. Sheehan and a majority of the Committee voting in favor of referring the final decision relative to Capital Project No. H220.9550 280 (RR Stations/Improvements) to the full Board of Supervisors for consideration at the February 15th Board meeting. Mr. Kenny opposed the motion.

Mr. Lamy asked when they could anticipate purchasing the necessary equipment that had been authorized as he was unable to purchase this equipment since the funds had not been placed in the DPW budget. Mr. Geraghty responded the Committee had authorized the bonding so he suggested ordering the equipment. Since the Committee authorized the bonds, Richard Murphy, Deputy Commissioner of Fiscal Services, stated they would release the codes to DPW to which the purchases were going to be made.

Mr. Geraghty asked for the cooperation of all Department Heads and Supervisors as they attempt to maintain expenses. He said he would schedule another Budget meeting within the next couple of months.

There being no further business to come before the committee, on motion by Mr. Belden and seconded by Mr. Sheehan, Mr. Geraghty adjourned the meeting at 12:16 p.m.

Respectfully submitted,

Debra L. Schreiber
Sr. Legislative Office Specialist