

WARREN COUNTY BOARD OF SUPERVISORS

COMMITTEE: BUDGET

DATE: OCTOBER 31, 2008

COMMITTEE MEMBERS PRESENT:

SUPERVISORS GERAGHTY
 BELDEN
 O'CONNOR
 CHAMPAGNE
 KENNY
 SHEEHAN
 MERLINO

OTHERS PRESENT:

FREDERICK MONROE, CHAIRMAN
PAUL DUSEK, COUNTY ATTORNEY
HAL PAYNE, COMMISSIONER OF ADMINISTRATIVE
 & FISCAL SERVICES
JOAN SADY, CLERK OF THE BOARD
SUPERVISORS BENTLEY
 GIRARD
 GOODSPEED
 HASKELL
 SIMMES
 SOKOL
 STEC
 STRAINER
 TAYLOR
 TESSIER
 THOMAS
 VANNESS
TODD LUNT, HUMAN RESOURCES DIRECTOR
MAYNARD BAKER, RESIDENT, TOWN OF WARRENSBURG
MARK MURRAY, PRESIDENT OF CSEA
ALYSON MARTIN, *THE POST STAR*
GORDON WOODWORTH, *THE CHRONICLE*
JONATHAN ALEXANDER, *THE ADIRONDACK JOURNAL*
CHARLENE DIRESTA, SR. LEGISLATIVE OFFICE
 SPECIALIST
*PLEASE SEE ATTACHED SIGN-IN SHEETS FOR ALL OTHER
 GUESTS PRESENT*

Mr. Geraghty called the meeting of the Budget Committee to order at 9:31 a.m.

Prior to proceeding with Committee business, Mr. Geraghty led the Committee and the attendees in the Pledge of Allegiance. Mr. Geraghty thanked everyone for attending and noted that there were a couple of requests to address the Committee.

Privilege of the floor was extended to Maynard Baker, resident of the Town of Warrensburg. He stated that he was requesting a small amount of funding to file a lawsuit against the Adirondack Park Agency (APA) for closing access to 41 lakes that were open in 1972 for seaplanes to fly disabled American veterans and mobility impaired people to the remote lakes. He said that he was requesting \$2,500 from each of the twelve counties within the Adirondack Park. He noted that Essex County had committed \$2,500 which had been appropriated into the County Attorney's budget and

he added that if Warren County committed the funds he would suggest that the appropriations also go into the County Attorney's budget to be used at a later date for the lawsuit. He advised that the lakes in question were all remote lakes that could only be accessed by seaplanes. He advised that he would attend the Adjourned Board Meeting on Friday, November 7, 2008 to see if the request was approved.

Mark Murray, President of the Civil Service Employees Association, Inc. (CSEA), stated that he wanted to express his concerns and thoughts on the economic issues. He added that he understood that the County, the State and the Country were all having economic issues. He said he was concerned about employees losing their jobs over the winter. He apprised that the Airport was an important part of the County and the Fish Hatchery was vital to the fishing in the area and provided a valuable service. He noted that layoffs would be a strain on the local economy due to the increase in unemployment and welfare recipients. He added that layoffs would also add to the mortgage problem as the employees would no longer be able to pay their mortgages. He urged the Committee not to eliminate positions in order to balance the budget.

Mr. Geraghty stated that it was not the intent of the Committee or the Board of Supervisors to balance the budget on the backs of the employees. He added that the goal was to achieve a workable tax rate for the residents of Warren County. He said that the Department Heads were asked to attend because it was their responsibility to find ways to make their Departments function within the budget.

Mr. Geraghty stated that the Department Heads had done a good job in reducing their Departmental budgets. He distributed a packet which included additional Departmental budget reduction suggestions that totaled approximately \$168,000 to the Committee members; a copy of the handout is on file with the minutes. He noted that the current increase in the budget was 5.4% and the additional budget cuts would lower the amount of increase to approximately 5.2%.

Motion was made by Mr. Champagne, seconded by Mr. Merlino and carried unanimously to accept the proposed Departmental budget reductions as presented.

Mr. Merlino stated that he had received many calls pertaining to the budget and he was awaiting clarification as to the expenses incurred by the Department of Social Services (DSS). He advised that over \$16 million of the amount to be raised by tax was the County's share of all Social Services programs and added that a 5% reduction of \$16 million would be \$800,000.

Chairman Monroe thanked the Department Heads for their assistance with the budget reductions. He advised that the County should be reluctant to utilize funds from the General Fund Balance. He said that the State budget for 2009 was an unknown entity at this time.

Mr. Champagne suggested the Supervisors forgo any salary increase for 2009 due to the state of the economy.

Motion was made by Mr. Champagne and seconded by Mr. Merlino to forgo an increase

in the Supervisor's salaries for 2009.

Mr. O'Connor stated that the total amount of money that would be saved by not increasing the Supervisor's salaries was insignificant. He noted that he was not aware of any other government employees or elected officials who would forgo an increase in salary merely as a symbolic gesture. He added that several years ago the Supervisors had been asked to forgo their salary increases as an instrument of negotiation with the Department Heads. He continued that the Supervisors had not accepted an increase that year although all of the employees of Warren County had received salary increases.

Mr. Champagne suggested that he felt the Committee should review the salaries of Department Heads, as well. Mr. Goodspeed stated that he was in favor of the motion and added that given the state of the economy he could not support a salary increase for the Supervisors. He added that the amount was insignificant; however, he continued, it was a symbolic gesture that sent the message that the Supervisors were willing to 'tighten their belts'. Mr. Taylor said that he also supported the motion and suggested that a portion of the savings be utilized to support the lawsuit proposed by Mr. Baker.

Mr. O'Connor advised that the Department Heads had been asked to investigate areas where their budgets could be reduced, which had nothing to do with their salaries. He noted that all CSEA employees would receive a 3.5% salary increase in 2009. He said that they had not requested that any employee forgo their salary increases and he did not see a reason for the Supervisors to forgo their increase. Mr. VanNess said he agreed with Mr. Taylor that if the Supervisors did not accept a salary increase some of the savings should be used to support the proposed lawsuit.

Discussion ensued pertaining to Supervisor's salaries.

Brenda Hayes, Director of Countryside Adult Home, said that she did not see any point in anyone forgoing a salary increase. She questioned why County employees received a paid lunch break. She added that if her 32 employees earned an average of \$12 per hour, it cost Countryside Adult Home \$47,000 per year to pay for the employees half hour lunch breaks.

Mr. Geraghty called the question and the motion was carried by majority vote to eliminate the salary increases for the Supervisors for 2009, with Messrs. O'Connor, Kenny and Belden voting in opposition.

Mr. Champagne suggested reviewing the salaries of Department Heads and considering the possibility of a tiered salary increase that would give Department Heads that earned over a certain base salary a lower percentage of increase. Mr. Kenny said that the possibility of proportionate decreases in salary increases had been discussed a few years ago at which time he had been in favor of it.

Mr. Stec pointed out that the expectation was that the State budget would get worse,

not better. He said that decreasing the budget was a misnomer and added that the Department's budgets had not decreased as compared to last year, they had merely decreased from the original 2009 requests. He questioned how much the debt service for 2009 was and Hal Payne, Commissioner of Administrative and Fiscal Services, responded that the debt service was \$1.9 million for 2009. Mr. Stec said that the increase in debt service was \$1.9 million and the amount to be raised by taxes was \$1.911 million. He added that if the debt service was not considered, the increase in the budget would only be \$11,000. He voiced his opinion that the Department Heads had done a good job in decreasing their budgets, as they had no control over the amount of the debt service. Mr. Stec suggested that the amount that each Department had budgeted for fuel should be reexamined based on the lower fuel costs. He advised that each Department's total budget increase should be less than 5%. Mr. Payne stated that the Sheriff's Office had decreased the amount budgeted for fuel costs by \$50,000.

Mr. Champagne apprised that if everything that could possibly be eliminated from the budget had been eliminated, now was the time where the choices were concessions or sacrifice. Mr. Belden suggested reviewing the use of County vehicles.

Discussion ensued pertaining to the use of County vehicles.

Mr. Merlino stated that if he had to vote on the purchase of the former Gaslight Village property today, he would vote against it. He added that the County had invested \$1.3 million in the property and he suggested that the County sell their rights to the three environmental groups (3E's) and the Town and Village of Lake George. He advised that the Gaslight Village property offered no advantage to the taxpayers in outlying towns.

Mr. Champagne questioned what amount was paid for mileage reimbursement and if it was on the high side and Mr. Geraghty responded that the County reimbursed mileage at \$.585 per mile which was the rate set by the IRS (Internal Revenue Service). Mr. Payne stated there was a resolution stating that the County would follow the IRS rate for mileage reimbursement.

Mr. Kenny questioned how much money was lost on the operation of Countryside Adult Home for 2008 and Kathy Baker, Fiscal Manager of the DSS, responded that it cost the County approximately \$500,000 per year. Mr. Kenny asked how many residents were currently at Countryside Adult Home and Ms. Hayes replied that there was room for 60 residents and there were currently 46. Ms. Hayes reported that the Facility had been in business for more than 100 years and although they had never been filled to capacity, they had also never been empty. She noted that if the Facility were closed the County would be responsible for the care of the 46 residents, as they were Warren County residents.

Mr. Goodspeed apprised that the Committee had three options; adopt the budget at the current figures; begin to eliminate positions; or decrease salaries. He stated that the County had Departments that either did not exist five years ago or that were larger than they needed to be. He added that those Departments did not provide essential services which he defined as public safety. He advised that if the CSEA and Department Heads were not willing to make concessions, they would need to decrease salaries or

eliminate positions. Mr. Geraghty noted that the County had established a hiring freeze for 2009 which would not show a reduction in the budget at this time.

Discussion ensued.

Pam Vogel, County Clerk, said that part of the responsibility of a Department Head was to investigate new revenue streams. She suggested a County vehicle use fee of \$5 per car per year which could generate approximately \$300,000 per year for Warren County. She stated that the County collected mortgage tax and distributed funds twice a year to the Towns. She suggested that a mortgage tax expense be charged to each Town for the collection of mortgage tax. Mr. Geraghty responded that the vehicle use fee would be paid by the taxpayers and the mortgage tax expense would be paid by the individual towns. He explained that although these ideas might decrease the County tax rate slightly, they ultimately would not decrease the amount paid by each taxpayer.

Mr. O'Connor questioned if Department Heads and Deputies would be willing to accept a reduction in the percentage of their salary increases. Judy Harris, County Auditor, advised there was not a single solution that would solve the budget issue. She said they would need to reduce expenses, seek additional revenue streams and review salaries. She noted that she was willing to take a reduction in the amount of salary increase and added that she had eliminated a position within her Department as there had not been enough work to keep the employee busy. Mr. O'Connor advised the County could save additional funds by eliminating the paid lunch breaks. He noted that the paid lunch policy had been established at a time when there were few local restaurants and limited public transportation.

Mr. VanNess stated that he would like to hear from the Department Heads on the subject. Mr. Geraghty called for a show of hands for which Department Heads and Deputies would be willing to accept a reduced amount of salary increase and the majority in attendance raised their hands.

Francis O' Keefe, County Treasurer, stated that it was unfair to request that the elected Supervisors forgo their annual salary increase unless the request was for all elected officials. He added that he would be willing to forgo a salary increase for 2009. He continued that the Committee should also review the salaries of some Department Heads.

Mr. Kenny stated that he appreciated all the work that had been done by the Department Heads with regard to the budget. He noted that Washington County's 2009 budget was an increase of 8% and Saratoga County's budget increase had remained flat. He noted that Warren County was expending funds on a railroad station in Saratoga County. Chairman Monroe responded that the construction of the railroad station was connected to a grant that Warren County would have to repay if construction was terminated. He noted that the closing of Countryside Adult Home would not save Warren County money and he added that societies were judged by how well they took care of their elderly.

Mr. Payne apprised that he had recently had a telephone conference with NYSAC (New York State Association of Counties), who had indicated the Governor would propose a billion dollars in reductions to the State budget with no increase to the counties.

Mr. Geraghty excused the Department Heads and recessed the Committee at 11:00 a.m.

The Committee reconvened at 11:10 a.m.

Mr. Geraghty apprised that some of the Department Heads would be sending requests for a reduction in the amount that had been budgeted for Automotive-Gas and Oil in the 2009 budget. He added that with the reductions that had been accepted earlier, the budget increase was now 4.95%. He said that they would review the possibility of a tiered salary scale for non-bargaining unit employees and the Supervisors would not receive a salary increase for 2009. In response to a question as to how much was saved by the Supervisors forgoing their increases, Mr. Geraghty stated it would be a savings of \$13,109. He advised that Mr. O' Keefe, Mrs. Vogel and Sheriff York had all volunteered to forgo their annual raise for 2009. He advised that the Committee needed to decide how a tiered salary scale would be set up.

Committee discussion determined that the tier salary increase scale for non-bargaining unit employees would be as follows:

- ▶ base salaries of less than \$40,000 would receive a 3.5% salary increase;
- ▶ base salaries of \$40,000 to \$60,000 would receive a 2.5% salary increase;
- ▶ base salaries of \$60,000 to \$80,000 would receive a 1.5% salary increase; and
- ▶ base salaries of more than \$80,000 would receive a .5% salary increase.

After a brief discussion, it was the consensus of the Committee to initiate a tiered salary increase scale for non-bargaining unit employees, as outlined above.

Mr. O' Connor suggested that the Supervisors receive a pay increase of 2% as opposed to no increase. Mrs. Simmes noted that three elected officials had volunteered to forgo their salary increases for 2009. Mr. Tessier advised that many years ago the Board of Supervisors had not received salary increases every year. He added that when he was Budget Officer he had increased the Supervisors salary by \$1,000 after ten years of no increases. He continued that he had then initiated the policy that the Supervisors would receive the same percentage of increase as the rest of the employees of Warren County. He added that he was opposed to any reduction in salary increase to the employees of Warren County.

Mr. Sheehan apprised that the Committee needed to discuss the use of funds from the General Fund Balance and he suggested that \$100,000 of the Fund Balance should be used to help balance the budget for 2009. He noted that the amount would be made up by retirees and terminations if vacant positions were not filled. Mr. Haskell advised that the County had initiated a hiring freeze which they had never succeeded in adhering to. Mr. O'Connor noted that they usually back-filled the positions based on experience and knowledge, with the lowest paid position being eliminated.

Mr. Kenny voiced his opinion that he was opposed to using any funds from the General Fund Balance, which he felt was already lower than it should be. Mr. Payne noted that there were currently 60 employees that were 55 years old or older and had at least 20 years of employment with Warren County. He said that if 15 of those employees were not replaced upon retirement, the County would save approximately \$460,000.

Mr. Geraghty noted that all of the 2008 revenues had not yet been collected. He added that the reason for the reluctance to use funds from the Fund Balance was due to a decrease in revenues. Mr. Sheehan said that they could make up the difference through retirement and displaced employees. Mr. Bentley noted that two positions had been eliminated from the Sheriff's Office for 2008 with an additional three positions eliminated for 2009.

Mr. Belden stated that some constituents had approached him because they had prepaid their fuel costs for the year when the cost of fuel was higher and now that the cost of fuel was lower, the fuel companies would not refund the difference. He asked if there was anything the County could do to help these people and Mr. Geraghty responded that the issue could be referred to the Legislative and Rules Committee. Mr. Haskell suggested that the issue be referred to the County Attorney. Chairman Monroe stated that if the constituents had signed contracts with the fuel companies there would be nothing the County could do to assist them. Mr. O' Connor voiced his opinion that the cost of fuel would increase significantly after the election.

Chairman Monroe stated that the General Fund Balance was approximately \$4.5 million at the end of 2007 and he believed that the balance would be less than that at the end of 2008. He added that since the amount of the General Fund Balance was unknown at this time, he was opposed to using any of those funds. Mr. Merlino agreed that no funds should be taken from the Fund Balance.

Mr. Haskell stated that it was unwise to reduce the amount that was budgeted for fuel, as it was more than likely that the cost of fuel would increase. Mr. Thomas stated that much of the budget was used to fund programs in the DSS and he added that now was the time for State Legislators to reduce the number of mandated programs. Mr. VanNess questioned the amount of increase to the budget without the inclusion of the bonding and Mr. Geraghty responded that without the debt service there was no increase to the 2009 budget.

Mr. Strainer stated that the Gaslight Village property would eventually increase revenue for Warren County. He added that the Occupancy Tax that was collected in October had increased by 7%. He advised that the County needed to look for additional ways to increase revenues.

Mr. Stec advised that the Committee needed to explore the sales tax revenue projections. He said that he felt they were low and they could be conservatively increased in order to lower the amount to be raised by taxes. Rick Murphy, Deputy Commissioner of Fiscal Services, stated that sales tax revenues for 2009 were budgeted at \$44.6 million as compared to \$41.3 in the 2008 County budget, an increase of \$3.3 million. Mr. Stec voiced his opinion that the amount budgeted was on

the conservative side.

Discussion ensued pertaining to sales tax revenues.

Mr. Tessier noted that the budget for the Tourism Department was paid for using taxpayer dollars in the past and was now paid for using Occupancy Tax funds. He advised that if the County continued with the Gaslight Village property, the Festival Space would be needed to support the property.

Mr. O'Connor questioned the percentage of increase to the County budget without initiating the tiered salary scale and Mr. Geraghty responded that it was approximately 4.95%.

There being no further business to come before the Budget Committee, on motion by Mr. Kenny and seconded by Mr. Champagne, Mr. Geraghty adjourned the meeting at 11:50 a.m.

Respectfully submitted,

Charlene DiResta, Sr. Legislative Office Specialist