WARREN COUNTY BOARD OF SUPERVISORS
SPECIAL BOARD MEETING
THURSDAY, DECEMBER 10, 2009

NOTICE OF SPECIAL MEETING
TO THE MEMBERS OF THE BOARD OF
SUPERVISORS OF WARREN COUNTY:

You are hereby notified that, I, FREDERICK H. MONROE, Chairman of the Board of Supervisors of the County of Warren, pursuant to the power vested in me by Rule A.3 of the Rules of the Board of Supervisors, hereby call and convene a special meeting of the Board of Supervisors of Warren County to be held in the Supreme Court Room at the Warren County Municipal Center, Town of Queensbury, New York, on Thursday, December 10, 2009 at 7:00 p.m., for the purpose of considering, and if determined by the Board to be appropriate, voting on, or otherwise taking action on, the following matters:

1. Holding a Public Hearing on the Revised Tentative 2010 Budget;

2. Adopting the Tentative 2010 Budget as is or as further revised and amended by the Board;

3. Discussion of a plan to rebuild the fund balance;

4. Further discussing a sales tax increase, and how to treat the same with regard to the Budget; and

5. Conducting such other business as may properly come before the Board of Supervisors.

The Clerk of the Board of Supervisors is hereby directed to call for the meeting and give written notice to all members of the Board of Supervisors of such meeting.

Dated: December 3, 2009

FREDERICK H. MONROE, CHAIRMAN
Warren County Board of Supervisors

The Board of Supervisors of the County of Warren convened in the Supreme Court Room at the Warren County Municipal Center, Lake George, New York, at 7:00 p.m.

Mr. Frederick Monroe presiding.

Salute to the flag was led by Supervisor Strainer.

Roll called, the following members present:
Supervisors Simmes, Monroe, Girard, Sheehan, Taylor, O'Connor, Kenny, Belden, Bentley, Goodspeed, Tessier, Merlino, Stec, Strainer, Champagne, VanNess, Sokol, Thomas, Pitkin, and Geraghty - 20.

Motion was made by Mr. Thomas, seconded by Mr. Taylor and carried unanimously to approve the minutes from the November 20, 2009 Board meeting and the November 30, 2009 Special Board meeting, subject to correction by the Clerk of the Board.

Chairman Monroe declared the Public Hearing on the 2010 Tentative Budget open at 7:02 p.m. and requested the Clerk read the Notice of Public Hearing.

Clerk read the Notice of Public Hearing.

Chairman Monroe pointed out that budget information was posted on the Warren County website. He requested that the Budget Officer present a brief overview of the 2010 Tentative Budget.

Mr. Geraghty stated that some of the increases in the 2010 budget were due to mandated increases, which included retirement, the solid waste debt service, contract settlements, health insurance increases, mandated program costs and reduction in projected sales tax revenue. He advised that these increases totaled approximately $11 million. He explained that reductions to the budget made by the county included the abolishment of positions, the Budget Officer's reductions and reductions in funding to outside agencies. He added that the reductions totaled approximately $7.6 million. When the county started the budget process in the spring of 2009, he apprised, there had been a budget deficit of approximately $6 million and the goal had been to reduce the deficit to zero. He added that as the process progressed the budget deficit had increased to approximately $11 million, most of which he attributed to retirement costs, the trash plant due to lower cost of electricity and state aid reductions. When the initial budget was completed, he continued, it had included a 10.1% increase in the amount to be raised by taxes. He advised that further budget reductions had brought the increase over the 2009 Adopted Budget to 9.3%, which was the Tentative Budget being presented today.

Chairman Monroe pointed out that the Board had been in negotiations with the PBA (Police Benevolent Association) and an agreement had been reached to delay receipt of salary increases from January 1, 2010 to July 1, 2010, which he estimated would amount to a $100,000 reduction to the budget. He noted that the 9.3% increase in taxes did not take into account the possibility of increasing sales tax by 1%; however, he added, if the 1% increase in sales tax was adopted, the property tax increase would decrease to zero.

Chairman Monroe recognized George Weinschenk, resident of the Town of Bolton, who noted that he had attended the last board meeting. He stated that the newspapers had said that the board meeting would include discussion on an additional $780,000 in reductions to the budget; however, he added, once the board voted on the motion to increase sales tax by 1%, the pressure was gone and no further reductions were made. He said that he would have supported the 1% increase in sales tax if there had been meaningful reductions made at the last board meeting. He added that over the last few years the county kept digging the hole deeper and deeper. He advised that a beautiful Human Services Building had been constructed that the county could not afford. He added that the county could have rented the necessary space, as opposed to going further into debt. He advised that whether a project was good, bad or indifferent, if the county didn't have the money, they should not undertake the project. He explained that when the county purchased the Gaslight Village property, they did not have the money to do so. He added that when the county went into the railroad business, they did not have the money to do so and he further added that the railroad did not generate a profit. He stated that the county did not need to own a Fish Hatchery or an Airport. He noted that the county had proposed a 1% increase in sales tax, which would result in a zero percent increase in property tax. He referred to that proposal as 'smoke and mirrors' because part of the money would be held as reserves to balance the budget, which would allow the board to continue to spend more money than they took in. He advised that for the last 20 years, each year the county had taken a little more out of the reserve fund until there was nothing left. He questioned whether the budget was really balanced as there was no way to tell what federal and state aid reductions would total. He noted that the county no longer had a good credit rating with which to borrow further. He stated that he was not happy with the way that the county had been operated for the last twenty years, adding that they kept taking out of the barrel and now the barrel was empty. He asked how far off the budget was to begin with that there was still a 9.3% increase to taxes after reducing the budget by $7.6 million. He said that the businesses and residents could not afford such an increase. He stated that the county residents had been promised change and that all anyone had in their pocket anymore was change, if they had that.

Chairman Monroe acknowledged Connie Harris Farrington, resident of the Town of Queensbury, who stated that she was strongly opposed to a 1% increase in sales tax. She added that the concept was unfavorable for the residents of Warren County, those who shop in Warren County and the small business owners. She advised that she was opposed to the tentative budget, as she felt there were areas where additional reductions could be made which would not impact public safety. She described the tentative budget as incomprehensible and suggested that it had been made so intentionally. She noted that in the tentative budget, revenues and expenditures did not appear together on the same page and she added, some of the programs listed were not easily identifiable by the names listed in the tentative budget. She apprised that she was opposed to the $25,000 in funding that the county allotted to the Southern Adirondack Library System, if that amount was for the Crandall Library. She stated that the county did not need to provide funds for underprivileged children to attend 4-H Camps. She added that it would be more appropriate if volunteer groups or churches took that responsibility, as opposed to the taxpayers. She continued that churches and volunteer groups used to take care of a lot of those types of things and not the government. She said that it was difficult to determine which mandates were federal and which were state. She added that it was also difficult to determine in which, if any mandated programs, the state required more expenditures than the federal mandate. She continued that it was difficult to determine in which, if any program, Warren County provided more funding than was mandated. She noted the Early Intervention Program, saying that she had been told by one Supervisor that it was the Youth Court Program, when it was actually a program for children under three years old. She advised that the Early Intervention Program had no financial requirement for eligibility and no citizenship requirement.

Mrs. Farrington mentioned the Senior Nutrition Program, which she said included congregate meals and home deliveries. She stated that online records of standing committees on the county website indicated that the cost to Warren County for an individual meal was approximately $6 and the voluntary contribution for the recipient of the meal had been increased to $3. She added that no one kept track of which seniors paid for a meal and what town they resided in. She noted that the tentative budget showed expenses in excess of $804,000 for nutrition for the elderly and $149,000 as revenue. She admitted that there was probably some obscure place in the budget, where federal or state funding for this program was entered; however, she added, it was still taxpayer money. She commented that costs could be reduced by having cooking students prepare the meals or by increasing the suggested donation. She recommended that Supervisors from Warren County should work together with other counties to try to eliminate some of the mandates. She noted that *The Post Star* had reported that there were thousands of dollars in uncollected DWI fines. She suggested that the names of the offenders should be published in the newspapers, with the infraction and the date the fine was levied. She added that the same should be done with overdue child support payments and stated that Washington County had success with publishing information on overdue child support payments. She asked if those convicted of DWI and other crimes paid all court costs and the cost of probation visits. She questioned if Warren County was charging the maximum fines for using a cell phone while driving or not wearing a seat belt. She asked if the County was taking advantage of all possible revenue sources from those who committed the crimes or if they just got revenue from the taxpayers. She stated that when teenagers committed a driving violation or a drug related crime, the greatest possible fines would serve as a deterrent for themselves and their friends. She suggested that programs that operated at a loss should be considered for elimination. She apprised that the board needed to negotiate with all of the unions and tell them to reduce the dental benefits, pension benefits, the number of sick and personal days and eliminate the paid lunch hour. She added that the board should give the unions a dollar amount to be reduced and tell them how many positions would be eliminated if they did not make the reductions. She advised that the county needed to change the way that the budget was presented by labeling the budget lines as clearly as possible so the programs could be identified and they needed to put all revenues and expenses for one program together on the same page.

Chairman Monroe recognized Paul Curtis, resident of the Town of Queensbury, who said that he sympathized with the Supervisors, as he understood that reducing costs was never easy. He apprised that he had read an article entitled 'State Sales Tax and Manufacturing Plant Location' published by the New York State Society of CPAs. He explained that the article compared the impact of sales tax on manufacturing companies making decisions as to where to locate their plants. He added that the article compared California, Texas, Florida and New York State. He said that the average sales tax rate in New

York State for state and county government was .45%. He remarked that he realized that the decision on sales tax had major implications throughout the economy. He added that it would cost his company $3,000 to $4,000 more in sales tax annually, which was a cost that they could not pass on to their clients, given the current economy. He continued by saying that like most businesses he would need to determine where else he could reduce costs in order to make up the difference in the cost of sales tax. He stated that the first place his company would need to look at reductions would be discretionary spending and charitable contributions, as well as meals and entertainment. He advised that his company would also need to start using out-of-county vendors in order to reduce costs. He noted that his company was just one small business in Warren County with twenty employees. He commented that the impact on the larger businesses in Warren County would reverberate through the entire economy. He advised that the national news was reporting that the economy would turnaround in about six months but he did not believe that would be the case. He noted that the economy was particularly difficult on the small businesses, which were not hiring, buying equipment or expanding their facilities. He apprised that he would not count on an increase in retail sales or tourism. He remarked that wealthy individuals and businesses were relocating outside of New York State and the trend was accelerating. He said that New York State was rated the second worst state in the country after New Jersey, as far as being business friendly. He advised that the county, state and local governments needed to reorganize their cost structure.

Chairman Monroe acknowledged Ralph Forte, resident of the City of Glens Falls, who stated that he was opposed to an increase in sales tax and he felt that further reductions to the budget were necessary. He voiced his opinion that it was unbelievable that the county would want to increase sales tax in such a bad economy. He added that it made no sense to take money that could do some good and use it to pay for poor decisions made in the past. He noted that he had moved here from Canada, which was one of the highest taxed nations in the world and he could not tolerate the way that the government was operated in New York. He said that he hoped that the public comments today would cause some changes. He referred to the Human Services Building as a ‘big white elephant’, and noted the amount of vacant buildings in Warren County. He said that it would have been good for the county not to expend the money on the Human Services Building and to rent vacant space elsewhere in the county. He added that it also would have been beneficial to the owners of the vacant properties. He stated that the county had funded the 'train to nowhere' and added that good businessmen did not do such things. He remarked that the county had severely overpaid for engineering and construction servies. He commented that it was difficult to believe that Warren County had expended its fund balance in good economic times. He reported that Saratoga County provided services to its citizens at a rate of $1,274 per person; Washington County provided services at a rate of $1,904 per person; and Warren County provided services at a rate of $2,239 per person. He said that spending had inflated during good times and now needed to deflate during bad times. He apprised that because people had less money to spend, an increase in sales tax would divert money from the businesses that needed it and from Warren County into the neighboring counties. He advised that the solution was to reduce spending and added that increasing the sales tax was wrong. He suggested that maybe it was time to dissolve Warren County and make it part of the neighboring counties that have shown they could operate more efficiently. He noted that Messrs. Geraghty, Sokol and VanNess had campaigned against an increase in sales tax and were now in support of it and he asked if they had misled their voters. He questioned why it cost Warren County $2,239 per person to provide services, when Saratoga and Washington Counties accomplished the same thing for $1,274 and $1,904 per person, respectively.

Chairman Monroe recognized Bill Loeb, Supervisor-Elect for the City of Glens Falls, Ward 4, who said that in 1986 he had been the 4th Ward Councilman and they had voted on an extensive grant for CB Sports. He commented that he had given a presentation at the time as to why it would not be good for the City of Glens Falls, as it would cost each household approximately $65. He reported that the general attitude had been that it did not matter and 23 years later the public was here to say that it did matter. He advised that good management in government meant continually reviewing the programs to make them the most efficient and to continually validate and invalidate programs that existed. He noted that it took as much effort to dismantle a program as it did to initiate it. He suggested that next year he wanted the board to consider eliminating sales tax on clothing and shoe purchases under $110, which was a popular program in New York City. He added that research showed that it would cause a 26% loss in sales tax revenues but there were those that argued that they would get a lot in return. He advised that as he was coming to the meeting he had been listening to a program, which was discussing addressing the rules in Congress with regard to Wall Street and one of the speakers had said that they needed to do something now before it was too late. He said that he hoped that everyone would maintain the same amount of pressure, so that the county could address the programs. He added that unnecessary programs should be cut. He noted that a different population of the community paid property tax than those that paid sales tax. He said that the 10% increase in property tax was supposed to close the $7 million budget gap but the 1% increase in sales tax was estimated to generate $14 million in revenue. He added that 60% of the $14 million, or $8.4 million, would be paid by Warren County residents. He remarked that the 1% sales tax increase would tax Warren County residents by an additional $1.4 million, as compared to the 10% property tax increase. He stated that he hoped that next year there would be the same level of enthusiasm in the communities to address the issues.

Chairman Monroe acknowledged Al Merchant, resident of the Town of Queensbury, who asked how the board could consider increasing sales tax, which he stated was a direct tax on the citizens and their children. He said that others who had spoken had given suggestions that would further tax the children of the county, such as increased DWI fines. He said that the board members were all career politicians and that there was no new blood coming into the board. He advised that the proposal by the federal government to stem unemployment would have a direct effect on the board. He noted that as a self-employed individual there had been years that he was unable to make a pension contribution for himself; however, he added, the Supervisors, who earned approximately $17,000 a year would be entitled to a full pension from the state. He stated that the board was elected by the citizens and as previously stated, some had been against a sales tax increase until after they were re-elected. He said that the current budget crisis was the fault of the board and it was their responsibility to fix the problem. He added that the board needed new blood like Mr. Loeb, who at least had some new ideas.

Chairman Monroe recognized Michael Wild, resident of the Town of Queensbury, who stated that he was a 25 year resident. He apprised that he did not understand what the board had or had not done in terms of reducing expenses. He added that it was difficult for most citizens to keep up with the day to day activities and decisions made by the board. He continued by saying, that like most residents, he received his information from *The Post Star*, who he said had done a great job of creating a buzz in the community. He advised that he faulted the board for not doing a better job of communicating what had or had not been accomplished. He questioned how the board had only been able to accomplish a 5% reduction as compared to 2009. He explained that what had been communicated to the public was that they had a choice of a sales tax increase or a property tax increase, which were not good options. He said that lacked imagination and added that he would expect the board to be able to communicate to the public other choices. He noted that in business when there was a challenge to a budget, most executives told their managers to reduce the budget by a specific number. He questioned if the board had told the department heads to reduce their budgets by 5% and asked why not 10% or 15%. He stated that in business there were managers and exceptional managers. He explained that the managers would eliminate programs while the exceptional managers would find a way to make the programs work with the reduced budget. He said that he hoped the board would consider presenting more information to the public pertaining to the decisions that were made. He apprised that last year his employer had voiced his opinion that the economy was going through a fundamental reset and not a downturn. He said that he had been told that his property value had decreased by 20%. He added that in reality, when the economy adjusted itself, the property values would go even lower and then come back up. He stated that he had heard people comparing Warren County to other counties with an 8% tax increase. He added that Warren County had the Town of Lake George and a low crime rate and questioned why Warren County should be compared to other counties. He apprised that his fear was that the county would set a precedent by choosing not to make further reductions.

Chairman Monroe acknowledged Janet Blagbrough-McMillian, resident of the Town of Queensbury, who stated that she was in attendance because she felt that if she did not come to the meeting to speak, then she might be part of the problem. She said that she read in the newspaper that the residents had a choice between a 9.3% property tax increase and a 1% sales tax increase. She voiced her opinion that neither was a viable option. She apprised that the budget crisis did not happen overnight and she did not expect anyone to be able to fix it overnight. She remarked that she expected the board to go back and make additional budget reductions. She called the 'use it or lose it' budget mentality crazy and added that the county needed to not spend beyond their means. She said that she knew that all of the county departments would be able to find additional reductions. She stated that she disagreed with the statement that the sales tax increase was an opportunity to save homes. She advised that citizens were taxed at the federal, state, county and town levels. She commented that the board needed to understand what the average person was going through. She noted that there were only five Supervisors who had voted in opposition of the sales tax increase and she said, in her opinion, that the remaining fifteen Supervisors should feel shame.

Chairman Monroe recognized Todd Shimkus, resident of the City of Glens Falls, who stated that he was the President and CEO of the Adirondack Regional Chamber of Commerce (ARCC). He said that the ARCC represented over 1,000 businesses in Warren, Washington and northern Saratoga Counties. He explained that there was an old saying that a camel was a horse designed by a committee. He suggested that the 2010 budget was a camel of the board's creation and the hump was representative of the fact that the budget included an increase in both spending and taxes. He stated to the members of the board that felt that a 9.3% property tax increase was too high, that the members of the ARCC agreed. They also agreed that an 8% sales tax was too high, he added. He advised that although the board suggested that the choice was between increased sales tax or increased property tax, the ARCC members felt there was a third option, reduced spending. He explained that he did not mean to reduce the budget requests made by department heads, he meant actually budgeting to spend less next year than they did this year. He added that residents, businesses and tourists of Warren County have all had to reduce their spending. He said that the proof that they had reduced their spending was in the fact that sales tax revenues were down. He apprised that while everyone was cutting back, Warren County had spent more in 2009 than in 2008 and were proposing to spend even more in 2010. He said that he had heard the excuse that government could not be run like a business and expounded that it wasn't that it couldn't be, it was that the board wouldn't run government like a business.

Mr. Shimkus advised that Washington County was implementing a two-day mandatory furlough for their employees and he had read in the newspaper that a two-day furlough could generate a savings of $4.5 million for Warren County. He expressed that the most disturbing thing about the decrease in sales tax revenues to the ARCC was that it meant that their members were struggling. He noted that the businesses had to make reductions, which meant that more people were currently unemployed. He advised that higher taxes would not help and would make the descent into the cycle worse. He said that the board should be doing everything possible to motivate people to buy from local family-owned businesses. He apprised that New York State's average property tax was 49% higher than the national average and the combined state and local sales tax average was 39% higher than the national average. He explained that the board’s plan to use the revenue derived from a 1% increase in sales tax was problematic. He stated that the board had been advised that they could not count on legislative support for the sales tax increase. He said that both Senator Little and Assemblywoman Sayward understood the negative consequences of increasing the sales tax in this economic climate. He added that while they were both obligated to file the bill, there was no guarantee that it would pass. He continued by saying that the bill may not even have the support of Senator Little and Assemblywoman Sayward. He said that there was a possibility that the bill would never make it to the Governor's desk and if it did there was the possibility that the Governor would not sign the bill into law. He stated that the ARCC would lobby to oppose the passage of the bill in Albany. He questioned if it was fiscally responsible to adopt a budget that relied on an insecure funding source. He added that it made more sense to reduce expenses now. He advised that in the 2010 tentative budget, the county was yet again spending money that they did not have.

Chairman Monroe acknowledged Alan Hall, Sr., resident of the Town of Warrensburg, who said that he was a retired county-worker from the Department of Public Works (DPW). He advised that he benefitted from some of the programs that the board wanted to reduce or eliminate. He explained that he was a widower, who lived alone and he had been in an automobile accident a year and a half ago and was happy to have a Home Health Aide from the Public Health Department arrange home visits during his recovery. He said that he read in the newspaper about the elimination of some of the Public Health Nurse positions and mentioned that when the board members got old or had an accident similar to his, there would not be enough employees to assist them. He expressed that he was opposed to the concept of a sales tax increase or a property tax increase. He explained that he owned one house, which was inhabited by two senior citizens on fixed incomes. He added that he could not pass the expense of the property tax increase onto his tenants as they were worse off than he was. He stated that he had just made a large purchase outside of Warren County but when it was delivered to him, he had to pay Warren County sales tax on the purchase. He noted that Mr. Kenny was a strong advocate for reducing the budget and that the board had eliminated approximately 51 positions in DPW. He added that he used to drive a DPW snowplow and if there was not a person on duty to relieve the driver, they got tired and it became dangerous. He referred to the recent accident in another county involving a DPW snowplow which was hit by a train and stated that it was his belief that the accident occurred because the DPW workers were overtired and drove in front of the train. He referred to Medicare and stated that the county was reimbursed for the cost of the program. He suggested that the county should sell Up Yonda Farm and discontinue the Fish Hatchery. He apprised that someone had mentioned the paid lunch hour and said that one year the county had given their employees a paid ½ hour lunch in lieu of a salary increase. He advised that the board had complained about the unions being unwilling to negotiate but he had not heard anything pertaining to the Supervisors willingness to reduce their salaries. Although he was opposed to a sales tax increase, he said, it looked like an increase in sales tax was the only way for Warren County to relieve the budget crisis.

Chairman Monroe recognized Jim Marek, resident of the Town of Lake George, who commented that he had a small business in the Town of Queensbury. He advised that sales at his business ranged from $500 to $5,000 and added that a 1% sales tax increase would cost the business. He apprised that for his type of business it was very competitive right now and any increase in costs could not be passed onto the customers. He explained that the manufacturers of the products he sold were originally going to increase prices and had decided to postpone the increases. He voiced his opinion that a person could not afford to own a home in America due to the burden of taxes. He expressed that the citizens had hired the board to work for them. He said the board needed to govern, which meant that they needed to make hard decisions. He added that anyone raising prices or taxes at this time would be hurting their business or community.

Chairman Monroe acknowledged Gary Slusher, resident of the Town of Queensbury, who said that he had moved to Warren County 27 years ago. He stated that it was fine with him if the county provided its residents with less services while they worked through the current economic crisis. He commented that he found it difficult to believe that the Supervisors thought that a 1% increase in sales tax or 9.3% increase in property tax would be accepted by the public. He noted that people who worked probably earned less in 2009 than they did in 2008 and he added that they also spent less. He advised that they were not doing that in government, they were spending more. He questioned when a county had ever implemented a sales tax increase for a limited period of time. He noted that federal and state taxes were deducted from peoples salaries before they were paid and therefore were less noticeable. He stated that the county needed to find a way to take care of its citizens without continuing to increase taxes.

Chairman Monroe recognized Peter Brothers, resident of the Town of Queensbury, who advised that the county should hold more meetings at night so that the public could attend. He recommended that an efficiency study be completed to compare Warren County to every other county in New York State. He thanked the Supervisors who voted in opposition of an increase in sales tax. He acknowledged that *The Adirondack Journal*, *The Post Star* and *The Chronicle* did a good job of covering the issues. He added that *The Chronicle* had run an article telling taxpayers to chose their tax, either a property tax increase or a sales tax increase. He said that his choice was none of the above and added that there should be a zero percent increase in property tax and sales tax. He said that the board had not done enough to cut expenses. He apprised that school board members did not receive a pension, health insurance, salary or mileage reimbursement. He advised that the county Supervisors should eliminate their health insurance, salary stipend, pension credit and mileage reimbursement. He voiced his opinion that the Human Services Building was more opulent than was necessary. He said that the county needed to learn to live within their means like the average taxpayer did.

Chairman Monroe acknowledged Tom Wade, resident of the City of Glens Falls and former member of the Board of Supervisors, who thanked the board for their time. He stated that the cost of government was excessive and that he felt that many of the people getting into government were not doing so to serve the public but to serve themselves. He apprised that the salaries and benefits were good. He added that this was an envious position for people who were supposed to be civil service. He said that the county was so deeply into debt that there was no easy solution. He commented that he felt strongly that the county needed to reduce the cost of government and if they could not, he suggested that they not overlook the opportunity for the county to go into bankruptcy. He added that it was far better for the county to go into bankruptcy than for good decent citizens to.

Chairman Monroe recognized Skip Stranahan, resident of the Town of Queensbury, who stated that the county needed to find a real solution. He advised that a 1% increase in sales tax was not acceptable. He voiced his opinion that there was no such thing as a fair tax. He said that the county needed to balance its books and should not be borrowing $8 million in order to pay their bills. He suggested that the Supervisors listen to the public comments and determine a solution tonight.

Chairman Monroe acknowledged Peter Accardi, resident of the City of Glens Falls, who commented that he was in support of reducing the budget to the point that neither a sales tax increase or property tax increase would be necessary. He added that one of the key items in the budget was salaries and benefits and the reason that it was consistently a problem was due to the way that the board negotiated with the unions. He added that the county negotiated 3.5% to 4% salary increases when the inflation rate of the country was in the 1% to 2% range. He said that it was ludicrous to allow that type on increase above the cost of living and was not fair to the taxpayers. He congratulated the board on holding the meeting tonight and encouraged them to change the regular board meetings from Friday mornings to evening meetings so the public could participate. He voiced his opinion that the sales tax increase would be more of a burden on the taxpayers then the property tax increase. He noted that in the City of Glens Falls, the property tax increase would amount to approximately $45 per year for a house assessed at $110,000. He added that the 1% sales tax increase would amount to more per year for the typical person who purchased items at more than $5,000 a year. He noted that items such as gasoline, telephone and internet service, cable television and clothing were all taxed. He encouraged the board to renegotiate the union contracts and in the future be more reasonable about the way they negotiated and what was agreed to. He noted that most of the unions received a longevity increase, which he agreed was reasonable, since it paid a higher rate to those with the experience; however, he added, to give employees a cost of living increase above the national cost of living was not justifiable.

Chairman Monroe recognized Dave Klein, resident of Washington County and Warren County business owner, who advised that in Washington County the town and county taxes exceeded the school tax bill and added that Warren County residents should not be put in the same position. He explained that he owned two businesses and a commercial property in Warren County and most of his purchases were made in Warren County. He added that if the sales tax was increased, he would begin to make all of his purchases in Saratoga County. He commended the board on making the hard decisions to reduce spending. He referred to an article that stated that Upstate New York enjoyed the highest private sector job and population loss in the nation for more than ten years, which was the consequence of overspending by state and local government. He said that the article stated that all taxes in Upstate New York had gotten out of hand, which had created a mass exodus of talented young people, who were capable of contributing more to society than they consumed. He noted that the article continued by saying that they were left with a high percentage of drug addicts and other high social need individuals, that did not have the ability or fortitude to obtain a better life for themselves and their families. According to the article, he continued, the New York State Comptroller had warned that government contributions to the pension funds would increase to 11.9% of payroll for most employees and 18.2% for firemen and police. Recently, he continued, *The Post Star* reported that the teacher's retirement system contribution would increase from 7.4% to 11.9% and would likely continue to increase. He apprised that pensions from government retirement plans were New York State income tax exempt and as such the beneficiaries of the plans did not pay their fair share of the tax burden to support benefits, including the Supervisors. He questioned who in the private sector enjoyed more than a 3% match on payroll with their 401K Plan, which was not guaranteed to maintain its value. He asked why the taxpayers should fund retirement plans that were more than four times as expensive than those in the private sector and that allowed the beneficiaries to avoid sharing the tax burden. He questioned why the public sector pensioner had to pay the same income tax as the private sector retirees. Short of changing legislation and renegotiating with the unions, he added, the only way to reduce the pension costs was to reduce payroll.

Mr. Klein stated that additional position eliminations were absolutely necessary, as the taxpayers were broke and could not afford any more taxes. He advised that every project undertaken by the county in recent years had contributed to the current tax crisis. He referred to the 'railroad to nowhere' by saying that the county had spent millions of dollars to purchase and improve the railroad, boasting that it would be the economic engine of the north country. He asked if anyone actually believed that a tourist would load their skis on a train in Penn Station to ride up to North Creek. He noted that the grants received for railroad projects were taxpayer dollars. He expressed that at the urging of the County Attorney and the former Supervisor from the Town of Thurman, the county had declined grant funding from NYSERDA to perform an independent energy audit of all county facilities in favor of a soul source agreement with Siemens Building Technologies, Inc. to build a cogeneration facility at Westmount Health Facility. Since cogeneration facilities need a year-round heat load to be economical, he added, the county started a laundry service, requiring additional county employees. He apprised that the county was saving a few thousand dollars a month on energy costs while Siemens was collecting $168,000 a month for the next twenty years. He said that the only way that cogeneration saved the county money was because Medicaid reimbursed the county for funds associated with the cogeneration capital project. He added that Medicaid received its funds from the taxpayers. The passed supervisor from the Town of Thurman, he continued, had promoted a new Human Services Building, which was originally to be constructed off Gurney Lane, to further justify the misconceived cogeneration project. He added that fortunately the county had determined that it would cost twice as much to construct the building on Gurney Lane as opposed to its current location, due to obvious site constraints. He advised that instead of building additional space and trying to fill it up, the county should have tried to free up its current space by eliminating positions.

Mr. Klein stated that he was sure that employment by the Sheriff's Department had significantly increased due to the construction of the new jail. He noted that these were jobs with an 18.2% contribution to the retirement system, from which the employees could retire after only twenty years. He asked who in the private sector could retire after only twenty years. He pointed out that all of the projects he had mentioned were designed by firms from outside the area. He questioned why the county spent seven figures to purchase the Gaslight Village property to turn a prime commercial property into a swamp. He advised that the environmental objectives could be accomplished more effectively with a sewer and a sedimentation basin, while retaining a prime commercial property on the tax rolls. He stated that the Supervisors had expended so much money in recent years that they had eliminated an eight figure fund balance and endangered the county's bonding rate. This complete disregard for the taxpayers, he continued, was why upstate New York was losing more private sector jobs and bright young people than anywhere else in the nation. Based on the Supervisors historical record, he remarked, given additional revenues from an increase in sales tax, they would undoubtedly find new ways to spend it. Instead of increasing sales tax, he added, reduce spending. He stated that increasing the sales tax would most likely be counterproductive, sending sales to Saratoga County where there was no need to increase the sales tax. He urged the board to continue to make the hard decisions to reduce spending before everyone qualified for government support or had left the state. He advised that over 50% of the boats on Lake George were registered out of state, although they stayed in Lake George year round. He suggested that Warren County request special legislation to allow them to collect local sales tax for boats kept on Lake George.

Chairman Monroe acknowledged Dennis Brower, resident of Warren County, who said that he knew that the Supervisors had tough decisions to make. He advised that he had always been an opponent of a sales tax increase for the six years that he sat on the Warren County Board. He said that he knew the county had cash flow problems and added that he had predicted them. He advised that the board was telling the public that if they did not increase sales tax, they would need to increase property taxes significantly. As a real estate professional, he stated, the value of property had decreased in the last couple of years by 15% to 20%. He added that the only thing that had not decreased was the taxes that people paid. He appealed to the board to resist increasing the sales tax and property taxes. He continued by saying that the board had to pare the budget down before it was adopted.

Chairman Monroe recognized Deborah Johnson, resident of the Town of Lake George, who said that she owned a store in the Village of Lake George. She stated that she was opposed to an increase in sales tax, which she added, would hurt her business and property taxes. She advised that the board needed to stop spending. She asked how many Supervisors looked each day at the amount of money that they were spending. She advised that the board needed to live within the budget just like the public did. She apprised that she had lived in the Town of Lake George for 27 years and loved it. She remarked that all of the Supervisors would eventually be elected out of office because they were not listening to the public. She noted that the town supervisors were paid through the towns and again through the county and she asked if that was double dipping. She suggested that the board balance the budget with no property tax increase or sales tax increase.

Chairman Monroe acknowledged Dave Kenny, resident of the Town of Queensbury, who said he was a business owner in the Towns of Queensbury and Lake George. He apprised that he had attended the National Convention for Retailers in New York City this past week. He stated that businesses were looking towards the Christmas season to determine what sales would be like. He said he was concerned with the number of businesses that would relocate to Saratoga County. He expressed that if Warren County's sales did not increase they would not bring business tenants to the area. He said that there were more businesses going out of business than there were new business start ups. He advised that Saratoga County already had better shopping than Warren County and should not give them another competitive advantage. He added that he had been advised that Saratoga County would increase their sales tax next year and he suggested that Warren County not increase their sales tax first.

Chairman Monroe recognized Pat Cunningham, resident of the Town of North Creek, who said that the present sales totaled $1.5 million in Warren County. He stated that a 1% increase in sales tax would give Warren County an additional $15 million to replenish the reserve fund. He noted that the business owners in Warren County did not operate with a reserve fund. He suggested that the board needed to level the playing field. He added that if people shopped in another county because Warren County's sales tax was too high, then Warren County did not receive the sales tax generated. He advised that increasing sales tax for the residents of Warren County was a tax on the poor. He explained that if a person earned $25,000 every dollar earned was taxable. He advised that New York State sales tax was not properly collected on all internet sales. He stated that the lodging properties had been opposed to occupancy tax in the beginning. He added that the board must be happy with occupancy tax collections, as they were used to fully fund the Tourism Department.

Chairman Monroe acknowledged Edward Hantett, resident of the Town of Queensbury, who thanked the board for the opportunity to speak. He explained that democracy was all about the public being allowed to voice opinions and added that it was the board members responsibility as elected officials, to listen and to act upon what was said. He said that the issue of overspending was hurting the average citizen. He stated that they could only imagine what would happen with reductions in state aid and school taxes. He advised that the school board lacked the same nerve to make the hard decisions and cease outrageous salary increases. He stated that the last time his salary had been increased was January 2008. He added that he worked for Glens Falls Hospital, the largest employer in the region. He advised that many people in the county had to work two to three jobs in order to pay their bills. He implored the board not to increase taxes.

Chairman Monroe recognized Bill Robinson, resident of the Town of Lake George, who commended the board on the job that they had done and asked that they try to keep taxes down.

Mr. Weinschenk stated that the proposed sales tax increase was for a two-year period of time. He reminded the board that the occupancy tax was originally to be instated for two years and had been in place for approximately 6 years. He advised that Social Security benefits were not being increased for those on retirement this year or next year; however, he added, the county would be increasing the taxes of these citizens who lived on a fixed income. He apprised that the board's estimate on sales tax collections were way off. He stated that many businesses in the Towns of Lake George and Bolton were claiming bankruptcy or relocating.

Mr. Marek stated that his business sold relatively high priced items and the first question asked by shoppers was the price. He advised that the public who were speaking tonight were not aware of what the board was thinking. He said that he felt the county could do with less public safety. He apprised that it would be nice to see one of the supervisors stand up to the unions and say enough is enough. He remarked that some of the local firehouses were expensive and it would be cheaper to let an individuals house burn down and buy him a new one. He added that there was a $400,000 light truck which had never been used.

Chairman Monroe acknowledged Jim Mandell, resident of Warren County, who said that he appreciated what volunteers and elected officials went through on a day to day basis. He stated that he had read a lot of the statistics and he was aware that it was not an easy decision. He apprised that he did not want to see less Sheriff's patrols or less county services. He added that if that meant an increase in taxes, then that was what was necessary.

Chairman Monroe read a written comment from John Brothers, resident of the Town of Lake George. He said that Mr. Brothers stated that he was concerned with overspending and asked why the Human Services Building needed $40,000 doors and bullet proof glass.

Joan Sady, Clerk of the Board, read a letter from Michael Seele, the owner of Adirondack Car Wash, LLC, who was opposed to an increase in sales tax. She said that the letter stated that Mr. Seele owned several businesses in Warren County, including Adirondack Car Wash, which had already closed the Route 9 location in Queensbury. She remarked that the letter continued by saying that car washes were not a necessity therefore many people had eliminated them from their budgets. She continued reading that in these economic times the County needed to lower prices and taxes to alleviate the financial struggles to the local consumers. Mr. Seele, she said, urged the board to consider the implications prior to making a decision on a sales tax increase.

Chairman Monroe declared the Public Hearing on the 2010 Tentative Budget closed at 9:15 p.m.

The board recessed from 9:15 p.m. to 9:25 p.m.

The board reconvened.

Chairman Monroe stated that he would like to discuss a plan to rebuild the county's fund balance. He advised that New York State was anticipating a shortfall of $12 to $14 billion in 2010. Over the last two years, he continued, New York State had repeatedly reduced Warren County's reimbursements for mandated programs. He said that the county had a cash flow problem that had been contributed to when the state failed to pay taxes on forest preserve land in January as usual and did not submit payment until April. He stated that sales tax collections were down and the trend was likely to continue in 2010. In the past, the County had a fund balance, he remarked, that could be used to cover cash flow needs and stabilize taxes; however, he added, there was currently no fund balance available. He said that the county had been informed by its fiscal advisors that the fund balance was far too low and a plan was needed to rebuild it. He advised that the current budget made no provision to rebuild the fund balance. If the county considered the sales tax increase, he stated, it would be the first step towards restoring structural balance to the budget and in the second year they could begin to restore the fund balance.

Mr. Kenny questioned why the board did not learn until three days before they were to vote on the budget, that they needed to insert a budget line to restore the fund balance. Chairman Monroe responded that the board had known for at least two years, as the bond rating was downgraded two years ago. Mr. Kenny stated that he attended most of the Committee meetings and he had never heard the issue addressed. Chairman Monroe replied that he believed it was addressed in the Finance Committee meetings.

Mr. Taylor asked if there was a cap on the amount of money that could be retained in the fund balance. Paul Dusek, County Attorney, responded that there were recommendations from the State Comptroller's Office. He added that along with the reserve fund, the county could also have a tax stabilization fund. He stated that there were guidelines but they were flexible. Chairman Monroe said that the State Comptroller's Office recommended that the county have a written policy as to what the fund balance should be as a percentage of the budget. He pointed out that of the amount to be raised by property tax, $26 million was attributed to unfunded state mandates. He added that of the total budget there was only $2,261,000 of non-mandated programs, other than the Sheriff's Road Patrol, which was $5.6 million. He stated that the county could not get down to a zero percent increase by eliminating non-mandated programs and if they eliminated mandated programs they would not receive reimbursement from the state.

Mr. Merlino thanked everyone for attending the meeting. He advised that he was one of the supporters of the 1% increase in sales tax. He stated that he had been a Supervisor for four years and had not taken a salary increase or submitted for mileage reimbursements. He said that he did the job because he liked to and because he had not liked the way it had been done before him. He apprised that the county could reduce the budget further; however, he added, there were so many mandated programs that could not be reduced. He expressed his belief that the 1% increase in sales tax was a financial management plan. He asked that the public allow them to utilize the funds to get the county back on a good financial plane. He added that the county would increase the sales tax with a two year sunset clause. He apprised that the Supervisors who had changed their mind on the sales tax increase had done so because the county was in serious trouble. He remarked that he was a business owner and his business was also having difficulties.

Chairman Monroe proposed that the county balance the budget with a 1% increase in sales tax, which should generate $3.5 million in 2010. He said that this would allow the county not to increase the property tax by 9.3% and he noted that approximately $5 million in sales tax would be paid by non-residents. He advised that in the second year of the sales tax increase, the money should be used to keep taxes stable and replenish the fund balance. He added that in the third year of the sales tax increase, the county should be able to reduce property taxes.

Mr. Pitkin stated that unfortunately the 1% increase in sales tax was necessary. He added that it was important to set constraints on how the revenue generated by the increase would be expended.

Mr. Goodspeed apprised that he supported Chairman Monroe's proposal. He said that there needed to be an acknowledgment of the gravity of the problem and the significance of the reductions that had been made. He added that $7.6 million had been reduced and slightly more than 50 positions had been eliminated. Referring to the comment that the board had stopped making reductions after they had reached a decision on sales tax, he commented, that the reductions they had decided not to make each had significant reasons. Referring to the comment that government should be run like a business, he remarked, that businesses did not have to deal with issues like prevailing wage rates and civil service laws. He advised that as they attempted to make further reductions, they had run into conceptual difficulties with whether there would be an actual dollar savings. He explained that in the Town of Johnsburg almost 20% of the people lived below the poverty line, 45% of school-aged children qualified for free or reduced lunches; and the average income per family was slightly under $38,000. He added that he had constituents who were struggling with their property taxes and he voiced his opinion that a sales tax increase would be the first step towards property tax reform. He said that he saw it as a positive, that would allow the county to rebuild the reserve fund with stringent limitations on how the money could be used. He apprised that in the Town of Johnsburg, it would be a 26% property tax increase, where 20% of the people lived below the poverty line. He explained that this meant that some senior citizens in the Town of Johnsburg would not be able to continue to own their homes. He said that the totality of property tax increases over the last decade needed to be evaluated. He advised that it was his hope that the secured reserve fund would be used to control property taxes. He explained that the next round of reductions would have dramatically changed the response time on a 911 calls made from the Town of Johnsburg. Further reductions, he added, also would have had an effect on the timeliness of plowing county roads. He stated that government had a responsibility to provide public safety. He voiced his opinion that the sales tax increase was more fair and permitted people a better chance at retaining their homes.

Chairman Monroe asked Paul Dusek, County Attorney, to address the tax stabilization fund. Mr. Dusek explained that money put into a tax stabilization fund was restricted to be used to balance the budget each year so that the tax increase did not exceed 2.5%. He added that the money could also be used to cover unanticipated expenses and to cover a shortfall in anticipated revenues. He explained that unanticipated expenditure meant an expenditure for a specific purpose for which there was no or insufficient appropriation, which was necessitated by a change in federal or state laws, a change in rules or regulations, a court order, judgement or decree, a public emergency or an industrial wide price rate or premium increase that took effect after the final adoption of the budget and which could not have been reasonable anticipated prior to the adoption of the final budget. He noted that the expenditures were very restricted and a shortfall in revenue was also very restricted. He advised that the law allowed the county to take money from the fund at the end of the year if the property tax increase would be more than 2.5%. Taking money from the fund for any other reason, he continued, would cause the county to be subject to a misdemeanor charge. Chairman Monroe noted that the total of the tax stabilization fund could not be in excess of 10% of the general fund.

Chairman Monroe said that the county needed a plan to restore the fund balance and bring structural integrity back to the budget. He said that a sales tax increase would allow the county to deal with its cash flow problems. He noted that they had passed a motion at the Finance Committee meeting to borrow $8 million in order for the county to meet its financial obligations for January 2010. He added that it was not prudent for the county to continue to borrow money to meet its expenses. He said that the county would continue to have cash flow problems and added that the bond rating had decreased, due to a lack of a fund balance. He added that all the financial indicators in the Moody's Investors Service Report for Warren County looked good with the exception of the lack of a fund balance. He advised that if the board reduced the budget by an additional $4 million, it would not restore integrity to the budget.

Mr. Stec remarked that he appreciated everyone's time and patience with the 2010 budget process. He referred to the speaker from the public that had suggested that the county should have more options than choosing between a sales tax increase and a property tax increase. While he agreed that the fund balance needed to be restored, he commented, he had an issue with the timing. He stated that the County was in the middle of the worst recession in a long time and the national economy was starting to show signs of recovery. He advised that this was not the time to worry about restoring the fund balance. He apprised that the damage had already been done with the bonds for the Human Services Building. He added that if it was true that the bonds would cost the county $350,000 over the course of the next twenty years, it would amount to $17,500 per year, which was a great deal of money but not when compared to other budget concerns. He said that if the county was not going to borrow additional funds, then the decreased bond rating would have no future effect. He added that the bond rating was the least of the county's worries. He recommended that the board delay the implementation of a sales tax increase. He added that if the county had to choose between a sales tax increase and a property tax increase, he would suggest a sales tax increase of .5% as opposed to 1%. He stated that he did not advocate for a sales tax increase; however, he added, if the board determined it was necessary then a .5% increase was more palatable than a 1% increase.

Chairman Monroe commented that the timing of the concern for the fund balance was the result of a conference call from Moody's, who had just completed an evaluation of all counties. He said that he was worried by the concern Moody's had shown over the county's financial status. He continued that the lack of a fund balance had cash flow implications and added that it effected more than just the county's bond rating. He noted that a restored fund balance would allow the county to stabilize taxes.

Mr. Taylor agreed with Mr. Stec. He added that he was also concerned about the timing of the notice from Moody's. He said that he had recently learned of the potential decrease in the bond rating and voiced his opinion that the county should have known prior to that time. He stated that in the City of Glens Falls, a 9.3% property tax increase would increase taxes by $41 per $100,000 of assessed value. He advised that conservatively a two person family with one car would spend approximately $155 per year in sales tax. He added that a sales tax increase would cost an additional $114 per year as compared to a property tax increase. He stated that he was opposed to implementing a sales tax increase for 2010 and added that he could not vote to pass a budget with a $4 million deficit.

Chairman Monroe pointed out that he had spoken to Senator Little and Assemblywoman Sayward, both of whom said that they would introduce the bill to increase sales tax, would work to get the bill passed and would support it. He added that he was not aware of any occasion where the legislature had failed to pass a Home Rule request by a county for an increase in sales tax.

Mr. Champagne advised that he had been opposed to an increase in sales tax for the last ten years. He said that his opposition was the result of discussions with business owners, particularly those in the Town of Queensbury. He pointed out that in March there had been discussions that eliminating approximately 100 county positions would bridge the gap in the budget. He added that the county had cut approximately 70 positions thus far and he felt there was room for further reductions. He added that he understood that the services to the community would be less but added that the county would muddle through. He noted that $3 million of the 2010 county budget would be expended to pay off the trash plant and added that was $3 million more that would be available in the 2011 county budget. He stated that the sale of the trash plant should generate an additional $2.3 million.

Mr. Kenny credited Mr. Merlino and Chairman Monroe for all the work that they had accomplished on the sales tax issue. He said that although he disagreed with their conclusions, he was aware of the amount of work that was put forth. He assessed that the biggest problem was the overspending attitude of the Warren County Board of Supervisors.

He reviewed the spending habits of the board since 2007, when he said everyone was a member of the board with the exception of Mr. Pitkin. He stated that in 2007 the county budget was $136,183,223 and was the first year that $18 million for inclusion of sales tax distribution to the towns was included in the budget. The amount to be raised by taxes in 2007, he added, was $32,745,000. In 2008, he continued, the county budget totaled approximately $139 million and had increased by $3.5 million. He assessed that the total amount to be raised by taxes in 2008 was $34,980,000 an increase of $2.2 million, as compared to 2007. In 2009, he continued, the total county budget was $146 million, an increase of $6.5 million, as compared to 2008. He added that the amount to be raised by taxes in 2009 was $36 million, an increase in excess of $1 million, as compared to 2008. He advised that the total county budget for 2010 was projected to be $148 million, an increase of $2 million as compared to 2009, even though the county had eliminated positions and reduced the budget. He said that the choice between increasing sales tax and increasing property taxes was a misconception, since there was a third choice of less services.

Mr. Kenny remarked that the estimated revenue generated by a sales tax increase had been stated as $14 million by some and $16 million by others. The proponents of the sales tax increase, he commented, stated that once the county received that anticipated $14 million in increased sales tax revenue, the county would cease spending. He voiced his opinion that the county would have more money to spend but claimed they would spend less. He advised that increasing sales tax would cost the residents of Warren County $8 million to $10 million and would remove $14 million from the local economy. He added that prices would have to increase on goods sold by Warren County merchants and lower income residents would be the most impacted. He advised that these residents were the most vulnerable as they were mostly seniors, students, those on disability and those on social security. He said that he was absolutely opposed to increasing sales tax and was more opposed to placing an unknown amount of sales tax revenue into the 2010 county budget. He stated that although Senator Little and Assemblywoman Sayward had both stated that they would sponsor the bill, he did not think that either one preferred the concept. He apprised that new supervisors would join the board in 2010, who may or may not approve the sales tax increase when the time came. He remarked that New York State was facing a fiscal crisis as well and if the State increased their portion of the sales tax by 1%, then the projected impact on the local economy would effectively double. He voiced his opinion that the board needed to continue to reduce the 2010 budget.

Chairman Monroe clarified that the amount of revenue generated by a sales tax increase would be 1/3 of the total sales tax received, which was estimated to be $14 million for 2010. He added that the county had good information that $5.6 million of the sales tax revenue would be paid by non-residents. He continued that a dollar for dollar reduction of $14 million from the property tax and $5.6 million was paid by non-residents, it would be a net reduction of the total tax burden on Warren County residents and property owners.

Mr. Kenny disagreed with the numbers presented by Chairman Monroe. He explained that if 40% was paid by non-residents and the county generated $14 million, that would mean that $5.6 million was paid by non-residents and $8.4 million would be paid by Warren County residents. Chairman Monroe agreed that $8.4 million would be paid by residents and added that if property taxes were reduced by $14 million, residents of Warren County would save $5.6 million. He continued that the overall tax burden of the Warren County residents would be reduced. Mr. Kenny questioned the estimated 40% paid by non-residents. Chairman Monroe asked if Mr. Kenny had read the report from the Planning & Community Development Department. Mr. Kenny stated that the Pinnacle Report said that tourists paid 28% of the sales tax in Warren County. Chairman Monroe noted that the Pinnacle Report did not address the 9,000 second home-owners in Warren County out of 31,000 homes.

Mr. Pitkin asked what the ramifications were if the budget was not adopted by December 20, 2009. Mr. Dusek replied that by law the tentative budget would take effect and by default there would be a 9.3% property tax increase.

Mr. Girard noted that throughout the year discussions on the budget were mostly about reductions and the concept of a sales tax increase was mostly discussed at the end of the year. He stated that he was in favor of a sales tax increase. He added that he thought the only option was to implement the sales tax increase and hope that it took effect for at least the last quarter of 2010, which would generate an estimated $3.5 million. If it took effect in the second quarter, he added, the additional funds could be used to help replenish the fund balance. He advised that for 2011 the board needed to decide how to appropriate the revenue accordingly. He apprised that during the budget process each department was looked at constructively to determine where reductions could be made. He noted that the board had restructured the Department of Social Services and did not know what the fallout would be. He voiced his concern that it took thirty days for a caseworker to obtain a court order to have an abused child removed from the home. He noted that the Personnel Officer was retiring and would not be replaced and added that the number of employees in the County Treasurer's Office had been reduced, as well. He stated that the Planning & Community Development Department had eliminated a position and they were already receiving complaints about the timeliness of inspections. He stated that the county provided important services and the only way that they could continue to provide them was to increase sales tax.

Chairman Monroe noted that the board would continue to find ways to reduce the size and cost of government. He said that following the vote to increase sales tax, the Budget Committee had met with representatives from the Police Benevolent Association (PBA) to discuss concessions, which had been approved earlier today at the Finance Committee meeting. He apprised that one of the speakers from the public asked what had been accomplished to decrease the budget. He listed the accomplishments as follows: the abolishment of positions totaling $1,030,000; reduced funding to outside agencies totaling $492,000; department requests reductions totaling $1,122,000; other Budget Officer reductions totaling $4,485,000; and Board of Supervisors reductions made at the November

30, 2009 Special Board meeting totaling $430,000. He voiced his opinion that the board had made unprecedented reductions in the amount to be raised by taxes.

Mr. VanNess agreed that the board needed a plan to restore the fund balance. He advised that he would be in favor of a sales tax increase if it was predetermined how the additional revenues would be expended.

Chairman Monroe proposed that the board include a 1% sales tax increase in the 2010 county budget, with the assumption that the bill would be passed in July, which would generate revenue starting in September. He recommended that the board budget additional sales tax revenues in the amount of $3,329,000, which would reduce the property tax increase to zero. In the meantime, he added, the board needed to work on a plan to apportion a tax stabilization fund. Mr. Goodspeed questioned the two year sunset clause and Chairman Monroe replied that it would sunset two years from the time that the increase took effect.

Motion was made by Chairman Monroe and seconded by Mr. Goodspeed to waive the rules of the board requiring a resolution be in writing. Chairman Monroe called the question and the motion carried by majority vote, with Mr. Champagne voting in opposition.

Motion was made by Chairman Monroe and seconded by Mr. Goodspeed to implement a plan to restore integrity to the budget and restore the fund balance by increasing sales tax by 1%.

Mr. Geraghty stated that he had been on both sides of the sales tax increase debate, first he was opposed and then he was in favor in order to stabilize the county budget. He added that at least five of the Supervisors had suggested additional cuts, which he noted had been attempted at the November 30, 2009 Special Board meeting. He said that the board had ten days before the deadline to adopt the budget. He noted that the increases to the budget had been from items outside of the board's control. Mr. Stec suggested that the board request the department heads to reduce their budgets by an additional 3%.

Chairman Monroe restated the motion to implement a plan to restore integrity to the budget and restore the fund balance by increasing sales tax by 1%. He suggested that the plan be utilized for a dollar to dollar reduction of the property tax and in the second year they appropriate a substantial amount of the $14 million to restore the fund balance with some portion of that amount to go to a tax stabilization fund as described in General Municipal Law Section 6(e).

Mr. Geraghty suggested that the board attempt one more round of reductions to the budget prior to voting on the motion. He reiterated that the board had ten days to make a final decision. Mr. Pitkin apprised that if the board was to attempt to reduce the budget by $3 million in the next ten days they would need to be careful not to make poor decisions. Chairman Monroe pointed out that the main difference between businesses and government was that the county had mandated programs and mandated staffing levels that needed to be adhered to. Mr. VanNess stated that a meeting had been scheduled for December 11, 2009 between the Warren County Sheriff's Office, the Washington County Sheriff's Office and Senator Little to determine the possibility of consolidating Sheriff's services.

Chairman Monroe withdrew the motion to implement a plan to restore integrity to the budget and restore the fund balance by increasing sales tax by 1% and Mr. Goodspeed withdrew his second to the motion.

Mr. Thomas pointed out that the board had made an excellent attempt at budget reductions in excess of $7 million. He added that this had been the best budget process that he had experienced since he became a Supervisor in 2003. He said that he had watched the county property tax in the Town of Stony Creek increase by 63% since 2003. He advised that a few months ago the Chairman and the Clerk of the Board had drafted a partial list of the mandated programs and financial burdens placed on the local taxpayers. He said that state funding for probation had been reduced by 6%. He apprised that the Rockefeller Drug Reform had the potential to add cases to the Probation Department by allowing first and second time class B felony drug and marijuana offenders to now be sentenced to probation supervision. He noted that this was an additional cost to the county of $14,942. He added that other revisions to the Rockefeller Drug Reform would force the county to hold inmates within the county jails that would have normally been incarcerated in a state facility and the additional costs to the county were unknown. He advised that the Food Stamp Administration had been reduced by $502,000 and the Medicaid cap was slated to be removed. Referring to the Committee on Special Education, he noted, the school system decided which students were placed in these programs and the county paid the expense and the additional cost to the county would be approximately $203,000. Referring to Child Welfare Funding, Mr. Thomas advised that the state had changed the percentage of reimbursement from 65% to 63%, an additional cost to the county of $153,940. This year Warren County lost over $425,000 with the loss of the Local Administration Fund for the Flexible Fund for Family Services, which was 100% administration reimbursement. He continued by saying that the amount had been increased but only 15% could be claimed causing an additional cost to the county of $425,000. He advised that the state had increased the shelter costs for Temporary Assistance and was coving the increase for 18 months. He noted that this would be an increase of 2% in 2011 for all of the Temporary Assistance cases, an additional cost to the county of $12,000. He apprised that Warren County was reimbursed $450 for each indigent burial but the actual cost for burial was $2,000 to $4,000. He added that in 2008 Warren County expended $96,733 for 42 funerals and there had been an average of 50 funerals per year over the last twelve years. He commented that the state no longer purchased code books for Fire Prevention & Building Code Enforcement, which would cost Warren County $2,500. He stated that there would be an additional cost to the county of $60,000 for community services and $47,000 for jail based mental health services. He advised that the total of all these additional costs was $1,420,000 of which the board had no control over. Add to that increased retirement costs of $1.2 million, he stated, and $800,000 to $900,000 in increased health insurance costs. He apprised that the board had no control over approximately 60% of the budget.

Chairman Monroe stated that the consensus of the board seemed to be that they wanted to delay further discussion of a sales tax increase until it was determined if further reductions could be made to the budget.

Motion was made by Mr. VanNess, seconded by Mr. Taylor and carried unanimously to table further discussion on the budget and a sales tax increase until the December 18, 2009 Regular Board meeting.

Chairman Monroe stated that a Budget Committee meeting would need to be scheduled if the board was looking for an additional $3 million in budget reductions.

Chairman Monroe noted that there were a couple of resolutions that the board needed to vote on. He stated that the first was Resolution No. 788 of 2009, authorizing an agreement with McGillivray Consulting Group to provide consulting services with regard to suitability for use of the Gaslight Village Property as a performance venue.

Motion was made by Mr. Goodspeed, seconded by Mr. Girard and carried unanimously to authorize an agreement with McGillivray Consulting Group to provide consulting services with regard to the suitability for use of the Gaslight Village Property as a performance venue.

Chairman Monroe stated that the second was Resolution No. 789 of 2009, authorizing an amendment to the collective bargaining agreement with the Warren County Police Benevolent Association (PBA). He advised that it would be a net savings of approximately $100,000, as it would delay the pay increases from January 1, 2010 until July 1, 2010. Mr. Dusek clarified that the agreement was for a six month delay on salary increases with the stipulation that there would be no further layoffs of PBA employees for the duration of the contract. Chairman Monroe noted that this was a significant concession on behalf of the PBA and the county was free to continue to eliminate positions through attrition.

Motion was made by Mr. Stec, seconded by Mr. Pitkin and carried by majority vote, with Messrs. Champagne and Belden voting in opposition, to authorize an amendment to the collective bargaining agreement with the Warren County Police Benevolent Association.

Chairman Monroe announced that Supervisor Tessier would Chair his last Town Board Meeting on December 14, 2009 at 7:30 p.m.

It was the consensus of the board to schedule a Budget Committee meeting for Tuesday, December 15, 2009 at 9:00 a.m.

Mr. Goodspeed expressed his concern that many of the reductions presented at the November 30, 2009 Special Board meeting would have done the county more harm than good. He suggested that the board was delaying the inevitable and cautioned that they be careful not to eliminate or reduce revenue generating items. He requested that the Supervisors consider the impact on the smaller towns, as well as their own towns, when making decisions. He advised that in order to make the suggested reductions, the Sheriff's Road Patrol and the Department of Public Works would need to take the largest reductions.

There being no further business, on motion by Mr. VanNess and seconded by Mr. Strainer, Chairman Monroe adjourned the meeting at 11:00 p.m.