

WARREN COUNTY BOARD OF SUPERVISORS

COMMITTEE: BUDGET

DATE: FEBRUARY 11, 2009

COMMITTEE MEMBERS PRESENT:

SUPERVISORS GERAGHTY
BELDEN
CHAMPAGNE
KENNY
MERLINO
TAYLOR
STEC

OTHERS PRESENT:

FREDERICK MONROE, CHAIRMAN
HAL PAYNE, COMMISSIONER OF ADMINISTRATIVE & FISCAL SERVICES
JOANN MCKINSTRY, DEPUTY COMMISSIONER OF ADMINISTRATIVE & FISCAL SERVICES
JOAN SADY, CLERK OF THE BOARD
SUPERVISORS PITKIN
SOKOL
STRAINER
TESSIER
THOMAS
VANNESS
TODD LUNT, DIRECTOR OF THE HUMAN RESOURCES DEPARTMENT
JONATHAN ALEXANDER, *THE ADIRONDACK JOURNAL*
CHARLENE DiRESTA, SR. LEGISLATIVE OFFICE SPECIALIST

COMMITTEE MEMBERS ABSENT:

SUPERVISORS O'CONNOR
SHEEHAN

Mr. Geraghty called the meeting of the Budget Committee to order at 12:15 p.m.

Documents were distributed to the Committee members; *copies of which are on file with the minutes.*

Mr. Geraghty apprised the Committee that the County had implemented a policy, whereby all purchases had to be approved by Julie Pacyna, Purchasing Agent and Hal Payne, Commissioner of Administrative & Fiscal Services. He added that the purchasing policy had been implemented due to the County's cash flow issue and it was his opinion that the policy should remain in effect for the remainder of 2009. He said that Committee Chairmen should advise the Department Heads that they would need to follow the policy. He stated that it was unknown how the State's budget would effect Warren County for 2009 and 2010 therefore, he noted, it would be necessary for Warren County to be cautious in preparing the 2010 budget.

Mr. Geraghty referred to the document entitled 'Draft 2010 Budget Guidelines' and said that he hoped that the Committee members had an opportunity to read the document. He stated that he and Mr. Payne had consulted with the Ontario County Administrator pertaining to the process they utilized for a three-year budget projection. He added that Ontario County gave their Department Heads a maximum percentage of increase for their Department's budget. He said that it was their Department Heads' responsibility to decide how to adjust their budgets in order stay within the maximum percentage of increase. He explained that if a Department Head presented a budget request that had a percentage of increase that was higher than the maximum percentage, they would need to meet with the Budget Committee to determine where reductions should be made. He said that this process was working well for Ontario County and he advised that Warren County might want to consider a similar process.

Mr. Geraghty stated that Ontario County had requested that the Department Heads eliminate 50 positions within the County. He added that each Department Head had been responsible for evaluating their Department to determine which positions could be eliminated.

Mr. Payne said that Ontario County had offered to pay for the first two years of health benefits following retirement as an incentive for qualifying employees to retire. He added that as a result 48 out of 50 employees of Ontario County had volunteered to take their retirement.

Mr. Merlino stated that during the Committee meetings the Department Heads consistently said that they could not eliminate additional positions. He added that if ten employees retired or resigned, it was followed by ten requests to fill vacant positions. Mr. Geraghty responded that it was the responsibility of the Board of Supervisors and the Committee Chairmen to convey the necessity of eliminating positions and reducing expenses. He added that the Department Heads needed to work with the Committee Chairmen to determine which positions could be eliminated without hindering the Departments ability to function. He said that positions would not be eliminated if they were mandated by law or if it would be detrimental to the health or safety of the public. He advised that it would be possible to eliminate certain positions such as, clerical positions without having a negative impact on the Department. He added that the County would fill positions of need on a case-by-case basis.

Mr. Strainer noted that Sheila Weaver, Commissioner of the Department of Social Services (DSS), was under budget on overtime by 50% and added that every position that she had requested to fill at the Personnel Committee meeting had been necessary. He said that he understood the need for the hiring freeze; however, he added, in certain cases the hiring freeze could not be upheld.

Discussion ensued.

Mr. Kenny apprised that it was necessary to shift the philosophy of Department Heads who seemed to regard the departmental budget as 'use it or lose it'. He suggested an incentive plan for Department Heads who eliminated unnecessary positions and saved funds. Mr. Geraghty suggested that attainable and measurable goals should be set for the Department Heads and if they did not meet their goals, their salary increase would be based on how they performed. He referred to the Employee Suggestion Incentive Program, which awarded an employee \$100 for a suggestion that would save the County money, and he said that he was unsure if it worked. Mr. Payne noted that two employees had received awards in 2008 through the Employee Suggestion Incentive Program. Mr. Kenny stated that when he had originally suggested the Program, he had suggested that the employee be awarded a percentage of the money that had been saved by implementing their suggestion; however, he added, the County Attorney's Office had advised that this type of incentive was not allowable by law. Mr. Pitkin stated that the Board of Supervisors needed to lead by example. He added that if a project was completed under budget, the funds should be transferred to the General Fund and not allocated to other projects.

Mr. Thomas said that the Budget Committee had entertained the idea of tiering the salary increases of Department Heads during the 2009 Budget process; however, he added, they had decided to give 3% raises across the board. Mr. Stec responded that during the 2009

Budget process, the tiered salary increase that had been under consideration, would have been based on the salary level of the Department Heads and not job performance. Mr. Geraghty stated that the final decision would be made by the Board of Supervisors. He said that he felt they would need to do a better job of explaining the budget goals to the Department Heads. He stated that if the Board decided to tier the salary increases, they would need to explain to the Department Heads that their salary increase would be dependent on how well they met their departmental goals. Mr. Champagne noted that one Supervisor might judge how well the goals were met differently than another Supervisor would. Mr. Geraghty reiterated that the goals would have to be attainable and measurable.

Mr. Geraghty stated that the Department Head training program that had been implemented was working well. He advised that if there was a Department Head that was not performing well, it would be necessary for the Committee Chairman to explain what was expected. He agreed with Mr. Kenny, that the current mentality pertaining to departmental budgets was use it or lose it.

Discussion ensued.

Mr. Geraghty explained that he was appealing to the Budget Committee to inform the Committee Chairmen of the issues and to present the budget guidelines to them. He advised that the Budget Committee should meet again next month following the Finance Committee. He said that at that meeting they could discuss and finalize the budget guidelines. He added that the budget guidelines would put the responsibility of the departmental budgets on the Department Heads. He stated that if a Department Head presented a budget request that did not meet the guidelines, then they would need to meet with the Budget Committee to determine where additional funds could be reduced.

Mr. Taylor stated that the Budget Committee had requested that Ms. Weaver develop a chart that itemized the programs offered by the DSS and detailed which programs were mandated and how the programs were funded. He asked if the chart had been provided and Mr. Payne responded that the lists were due on February 15, 2009. Mr. Geraghty said that each department was asked to develop a list detailing each program, the employees who worked within the program, whether or not the program was mandated and the percentage of reimbursement. Mr. Belden expressed his disdain with the State mandating programs and shifting the financial burden of those programs to the local governments.

Mr. Sokol said that he would like to know the total amount of funds that were expended in 2008 for architect and engineering fees. He asked if it was possible to save money by having more of this type of work done in-house. Mr. Geraghty voiced his opinion that a lot of money could be saved if these services were taken care of in-house and he added, it was a management issue that needed to be addressed. Mr. Payne said that he would research the total amount spent for 2008 on architect and engineering fees.

Mr. Taylor asked if the issue of eliminating the nursing home had ever been explored. Mr. Champagne responded that the County admitted the residents that were 'non-payers' that private nursing homes would not take. He added that if the nursing home was eliminated, the residents would have to go to other facilities and since they were Warren County residents, the cost of their care would be the County's responsibility. Mr. Payne stated that 85% of the residents were on Medicaid, which paid \$135 a day and it cost \$200 a day to

take care of each resident. Mr. Champagne said that the problem was that the number of employees and residents was mandated. Mr. Taylor advised that if the County did not own the nursing homes, there would be no mandates. Mr. Payne apprised the Committee that the private facilities would not admit the residents that were on Medicaid. He added that the residents could be relocated to an out-of-state facility and Warren County would still have to pay the Medicaid costs.

There being no further business to come before the Budget Committee, on motion by Mr. Stec and seconded by Mr. Merlino, Mr. Geraghty adjourned the meeting at 12:42 p.m.

Respectfully submitted,
Charlene DiResta, Sr. Legislative Office Specialist