

WARREN COUNTY BOARD OF SUPERVISORS

COMMITTEE: BUDGET

DATE: MARCH 11, 2009

COMMITTEE MEMBERS PRESENT:

SUPERVISORS GERAGHTY
BELDEN
O'CONNOR
CHAMPAGNE
KENNY
SHEEHAN
TAYLOR

OTHERS PRESENT:

FREDERICK MONROE, CHAIRMAN OF THE BOARD OF SUPERVISORS
PAUL DUSEK, COUNTY ATTORNEY
HAL PAYNE, COMMISSIONER OF ADMINISTRATIVE & FISCAL SERVICES
JOANN MCKINSTRY, DEPUTY COMMISSIONER OF ADMINISTRATIVE &
FISCAL SERVICES
RICK MURPHY, DEPUTY COMMISSIONER OF FISCAL SERVICES
JOAN SADY, CLERK OF THE BOARD
SUPERVISORS PITKIN
TESSIER
THOMAS
STRAINER
TODD LUNT, DIRECTOR OF HUMAN RESOURCES
ALEXANDER GABRIELS, TOWN OF BOLTON RESIDENT
CAMERON TESSIER, WARREN COUNTY RESIDENT
JONATHAN ALEXANDER, *THE ADIRONDACK JOURNAL*
AMANDA ALLEN, SR. LEGISLATIVE OFFICE SPECIALIST

COMMITTEE MEMBERS ABSENT:

SUPERVISORS MERLINO
STEC

Mr. Geraghty called the meeting of the Budget Committee to order at 11:23 a.m.

Motion was made by Mr. Belden, seconded by Mr. Kenny and carried unanimously to approve the minutes from the February 11, 2009 Committee meeting, subject to correction by the Clerk of the Board.

JoAnn McKinstry, Deputy Commissioner of Administrative & Fiscal Services, distributed copies of the meeting agenda, a copy of which is on file with the minutes.

Mr. Geraghty noted that there were several Departments with positions funded by grant monies and he suggested that a letter be forwarded to all Department Heads requesting a listing of them.

Motion was made by Mr. Belden, seconded by Mr. Taylor and carried unanimously to authorize Hal Payne, Commissioner of Administrative & Fiscal Services, to forward a letter to all Department Heads requesting information regarding grant funded positions.

Commencing the agenda review, Mr. Geraghty apprised that Item 1 referred to discussion on budget guidelines and he suggested that a 0% increase standard be mandated for the 2010 budget. He said that by adopting the 0% increase standard now they would allow the Department Heads nine months to determine how they could operate within these budget constraints.

Motion was made by Mr. Kenny and seconded by Mr. Belden to mandate a 0% increase standard for the 2010 budget.

Mr. Taylor said that he was in favor of setting increase limitations for 2010 but suggested that a negative percentage be mandated to decrease the budget rather than maintain it. Mr. Kenny stated that he fully supported a 0% increase

and felt that it was achievable, although he said that there were some who would say it was an impossible feat. He pointed out that the City of Glens Falls had attained a 0% budget increase for 2008 and he felt the County could and should do so also as it was not fair to pass increased costs on to the taxpayer during these difficult economic times.

Mr. Champagne noted that personnel costs were the most costly portion of the budget and he suggested that they consider reducing or eliminating the 3.5% cost of living raises given to County employees in order to reduce the budget. He acknowledged that union contracts would have to be reopened and renegotiated in order to reduce the cost of living percentage allotted to employees within the bargaining unit, which might be difficult; however, he said, they might find a way to reach a compromise with the union representatives in light of the fact that the alternative to reducing salary increases would be staff layoffs. Mr. Kenny stated that although he had no objections to introducing discussions with the unions regarding decreasing the cost of living allowances given, he did not think it was likely they would agree to the measures. He added his opinion that there were other areas of the budget that could be reduced in order to reach the 0% increase goal for 2010.

Discussion ensued with respect to the matter.

Cameron Tessier, Warren County Resident, addressed the Committee and apprised that she had lived through the Depression Era during which she recalled that many people had agreed to reduce their salaries in light of the drastic economic climate and she did not feel that suggestion was unreasonable now.

Mr. Kenny noted that at the Personnel Committee meeting held earlier that morning they had been advised of reorganization efforts within the DPW (Department of Public Works) that had led to significant savings. He added that the County would save approximately \$500,000 in salary costs for 2008 and 2009 through these actions.

Mr. O'Connor reminded the Committee that during the 2009 budget process when the Board of Supervisors had discussed relinquishing their pay raises for the year in order to assist the budget, he had specifically asked all of the Department Heads present which of them would be willing to do this also. He said that although the majority of the Department Heads present had agreed to forego wage increases for 2009, the Budget Committee and the Board of Supervisors had instead approved the increases and had included them in the 2009 Budget, which he felt was absurd. Chairman Monroe interjected that while the Board of Supervisors had the authority to withhold the cost of living increase for non-bargaining unit employees, he did not feel that it had been fair to request this of the Department Heads in an open session with no prior warning.

Mr. Geraghty called the question and the motion to implement a 0% increase mandate for the 2010 Budget was carried unanimously.

Continuing to Agenda Item 2, Mr. Geraghty questioned whether the Committee preferred to implement either a two or three-year budgeting plan. He said he would suggest a three-year plan to begin the process and determine what they wanted to achieve for the future. Mr. Kenny agreed that a three-year plan would be most beneficial.

Subsequent to a brief conversation on the matter, it was the consensus of the Committee that a three-year budgeting plan should be developed.

Mr. Geraghty said that Agenda Item 3 pertained to the preliminary timetable for development of the 2010 budget. He noted that the agenda included a copy of the proposed timetable and he asked each of the Committee members to review it at their leisure for discussion at their next meeting.

Mr. Geraghty asked the Committee members if they had any questions with respect to the cash flow analysis distributed by the Treasurer's Office. Mr. Belden said that he had no questions about the document but noted that the analysis was very informational and he appreciated receiving it. Mr. Geraghty then applauded all of the Towns for their tax payments to the County, noting that the total received had been \$4 million more than what was expected.

Concluding the agenda review, Mr. Geraghty asked that the Committee members contact him with any suggestions they might have for changes in the process used to develop the 2009 budget.

Mr. Kenny apprised that he had developed a list of suggestions for changes to the budget process, which he distributed to the Committee members and outlined for their benefit. *A copy of the list is also on file with the minutes.*

Mr. Kenny questioned if a summarized report reflecting total revenues and expenditures for each Department could be provided for review during Committee meetings in order to intercept any issues before they occurred and Rick Murphy, Deputy Commissioner of Fiscal Services, advised that he believed such a report could be produced.

With respect to funds available through the Federal Stimulus Program, Chairman Monroe apprised that he had requested a meeting on the matter to discuss the possibility of accessing funding for efforts to introduce broadband services to the region as its introduction was strongly supported by many parties. He noted that at the end of 2008 the County had submitted a very broad project plan in an attempt to access Stimulus funds as it was unclear what was actually available at that time. Chairman Monroe said it was now clear that there were many different parties working in different offices that were in control of the Stimulus Program and any requests for funding previously submitted should be forwarded once again to all involved parties to make sure that they were not overlooked. He then suggested that a central office be determined within the County to collect and address all Stimulus requests and responses to be sure that no information was lost. Chairman Monroe stated that in a recent telephone conference with Senator Elizabeth Little he had been advised that all requests for Federal Stimulus funds should be prioritized according to which were the most beneficial to future economic development for the region. He said that a process was necessary to rank the requests and although he was not sure which Department should be charged with the task, he felt it should be done and a listing distributed prior to the March 20th Board meeting.

Discussion ensued.

Mr. Geraghty apprised that a letter had recently been received from CWI (Community Work and Independence, Inc.), which was an organization that assisted disadvantaged and disabled adults, stating that they were facing budget cuts and requesting that the County fund a portion of the program to offset the budget reductions. He said that unfortunately, the County was in no position to support any additional programs as they were facing budget reductions themselves.

Chairman Monore said that regardless of reductions in State funding, the County was forced to continue to provide State mandated programs, such as those instituted by the Department of Social Services which the County had no control over and comprised a large portion of the budget. He said that if the State truly wanted to help the citizens they could do so by reducing taxes, a measure which could be achieved by reviewing all of the State mandated programs and determining which they wished to fund at the State level and releasing the mandates on the rest. Mr. Thomas agreed with this statement, adding that if the State wished to require the programs they should fund them at the State level and not pass the costs on to the Counties.

Mr. Geraghty apprised that Sheila Weaver, Commissioner of the Department of Social Services, had compiled a

report listing all of the programs provided by the Department of Social Services including notations as to which were mandated by the State. He suggested that they review the listing at a future Committee meeting and consider eliminating the services offered which were not mandated.

Returning to the issue of employee raises, Mr. Champagne stated that since measures were not taken to eliminate employee salary increases for 2009, he proposed that the limitation be made for 2010.

Motion was made by Mr. Champagne, seconded by Mr. Kenny and carried unanimously to eliminate all salary increases for department heads and non-bargaining unit employees in the 2010 Budget.

Mrs. McKinstry noted that she was currently preparing the official budget guidelines which would be adopted by resolution of the Board of Supervisors and would include that there would be no salary increases for non-bargaining unit employees for 2010.

Mr. O'Connor advised that he had recently reviewed documentation regarding sales tax rates for the Counties of New York and had found that only five Counties, three of them being Warren, Washington and Saratoga Counties, continued to charge the 7% rate. He added that the remaining 57 Counties charged rates between 7.5% and 9.25%. Mr. O'Connor said he was not suggesting that Warren County should raise their sales tax rate currently but he said he felt an increase in the future was inevitable.

Mr. Kenny stated that he was not ashamed that Warren County was one of the last remaining with a 7% sales tax and that he was rather proud of the fact. Mr. Champagne noted that there were very few Counties in New York State that received the amount of tourism income that Warren County received. He added that he felt the amount of sales tax received from visitors offset the need to increase the sales tax amount and that they should be able to operate at the lower sales tax amount given the amount of tourism income received. Mr. O'Connor stated that he had worked in many other areas of New York, all of which charged higher sales tax amounts and benefitted from tourism levels commensurate with Warren County.

Mr. Geraghty cautioned the Committee that an increase in the County sales tax might not be wise as the State was currently proposing a \$500 million sales tax increase which would be applied for various purchases.

Discussion ensued.

Referring to a notation in the documentation provided by Mr. Kenny which suggested that the County discontinue the Sheriff's Boat Patrol from Lake George as a cost savings measure, Alexander Gabriels, Resident of the Town of Bolton, said he understood the County's need to reduce expenditures but asked that if they decided to take this route that they contact the Lake George Park Commission and ask them to provide boat patrols in the area. Secondly, Mr. Gabriels noted that there was cellular phone coverage available on the southern end of Lake George which allowed for distressed individuals to call for help; however, he said, on the northern end of the Lake there was no such availability. Mr. Gabriels asked that the County find a way to introduce cellular phone coverage to that area if they decided to discontinue the boat patrols and he suggested that they might find funding for another cellular phone tower through the Governor's Traffic Safety Committee or the Federal Stimulus Program.

Mr. Monroe apprised that in another Committee meeting they had discussed the transfer tax paid by sellers when recording a deed and had discovered that approximately \$1.6 million had been raised on a \$4 per \$1000 transfer tax; he added that many of these sales resulted in windfall profits that wealthy second homeowners made when reselling properties for much more than they had initially purchased them for. For example, he said, properties on

Loon Lake in the Town of Chester might have been purchased for as little as \$10,000 to \$20,000 and were now worth \$500,000, leading to a substantial profit. Chairman Monroe said that instances such as these added to the affordable housing problem occurring throughout the County. He noted that the County was authorized to increase the transfer tax and action had been taken by the County Clerk-Motor Vehicles Committee to approve a resolution increasing the tax by \$2 per transaction with the County to keep the additional amount; he added that currently, the County retained \$1 per transaction and the remaining \$4 per \$1,000 went to the State. Chairman Monroe said he had suggested that the additional monies be attributed to rectify the affordable housing situation which desperately required attention, although the County Clerk-Motor Vehicles Committee had determined the total should go to the General Fund. Chairman Monroe stated that he felt the Board of Supervisors should reconsider dedicating at least part of the funds to affordable housing as the issue had been caused mainly by wealthy second homeowners. He said that the additional fee would not be detrimental to those wealthy homeowner's gaining windfall profits.

Mr. Kenny noted that the resolution approved would incur an additional fee for those properties sold for more than \$150,000. Since that meeting, he said that he had received an email from the County Clerk noting the request of the Treasurer's Office to change the amount to either \$100,000 or \$200,000 as they felt they would have trouble assessing the charge for the odd number.

Discussion ensued.

As there was no further business to come before the Budget Committee, on motion made by Mr. Belden and seconded by Mr. Kenny, Mr. Geraghty adjourned the meeting at 12:20 p.m.

Respectfully submitted,
Amanda Allen, Sr. Legislative Office Specialist

