

WARREN COUNTY BOARD OF SUPERVISORS

COMMITTEE: BUDGET

DATE: MAY 6, 2009

COMMITTEE MEMBERS PRESENT:

SUPERVISORS GERAGHTY
 BELDEN
 O'CONNOR
 CHAMPAGNE
 KENNY
 SHEEHAN
 MERLINO
 TAYLOR
 STEC

OTHERS PRESENT:

FREDERICK MONROE, CHAIRMAN
PAUL DUSEK, COUNTY ATTORNEY
HAL PAYNE, COMMISSIONER OF ADMINISTRATIVE & FISCAL SERVICES
JOANN MCKINSTRY, DEPUTY COMMISSIONER OF ADMINISTRATIVE &
FISCAL SERVICES
JOAN SADY, CLERK OF THE BOARD
SUPERVISORS BENTLEY
 PITKIN
 SOKOL
 STRAINER
 TESSIER
 THOMAS

BUD YORK, WARREN COUNTY SHERIFF
SHANE ROSS, CHIEF DEPUTY
WILLIAM LAMY, SUPERINTENDENT OF THE DEPARTMENT OF PUBLIC
WORKS
FRANCIS O'KEEFE, COUNTY TREASURER
JUDITH HARRIS, COUNTY AUDITOR
TODD LUNT, HUMAN RESOURCES DIRECTOR
SKIP STRANAHAN, WARREN COUNTY RESIDENT
ALYSON MARTIN, *THE POST STAR*
JONATHAN ALEXANDER, *THE ADIRONDACK JOURNAL*
CHARLENE DiRESTA, SR. LEGISLATIVE OFFICE SPECIALIST

Mr. Geraghty called the meeting of the Budget Committee to order at 9:01 a.m.

Motion was made by Mr. Taylor, seconded by Mr. Champagne and carried unanimously to approve the minutes of the previous Committee meeting, subject to correction by the Clerk of the Board.

Mr. Geraghty stated that the purpose of the meeting was to discuss possible budget reductions. He noted that at the last meeting they had been apprised of the \$6.3 million deficit that the County faced entering the 2010 budget year. He said that the Board had discussed and rejected the concept of increasing sales tax. He explained that the County needed to reduce the current year's budget by \$6.3 million and noted that the Board had notified Department Heads that the 2010 budget requests should reflect a 0% increase. He advised that Department Heads, the Budget Committee and the Board of Supervisors would need to act as a team in order to accomplish this goal.

Mr. Geraghty reminded the Committee that they had already previously determined there would be no increases in salary or longevity pay for non-bargaining employees in the 2010 budget; he added that the County had also implemented a hiring freeze, which had been in place since January. He noted that for the second year the Supervisors were also forgoing a

salary increase. He said that there were mandated positions that the County would have to fill regardless of the hiring freeze.

Mr. Geraghty advised that the County was developing a three-year budget cycle, which would assist with the shortfall caused by the reduction in State aid. He said that it was now necessary to eliminate or reduce non-mandated programs and reduce funding to outside agencies. He added that reducing the County workforce through layoffs would be a last resort, some of which could be accomplished through attrition. He said that they should discuss the possibility of a retirement incentive program. He stated that he was concerned about the effect on the public as a result of a reduction to the County workforce and added that the level of service to the community should be maintained.

Mr. Geraghty queried if the Committee was prepared to discuss program reductions and added that the reduction of programs would also reduce the workforce. Mr. Stec responded that he felt that the reduction of programs should be discussed at this meeting. He noted that regardless of the decisions that were made at this meeting, a lot more work would be necessary in order to eliminate the \$6.3 million deficit.

Mr. Geraghty apprised that the first program to be discussed was the Sheriff's Boat Patrol, which cost the County \$17,000 per year to operate. He noted that this would have the largest impact on the patrols on Lake George; however, he added, there was also a contract with Essex County to patrol Schroon Lake. Mr. Kenny asked how many boats the County owned and what the current value was and Mr. Geraghty responded that he was unsure of the value and there were at least two boats. Mr. Geraghty said that the total cost of the program was \$75,000 per year, of which the County's share was \$17,000 and the remaining cost was covered by State aid. Mr. Kenny asked if the State had removed their police patrols from Lake George and Mr. Geraghty replied affirmatively. Mr. Kenny stated that the Lake was State property and it was the State's responsibility to patrol it. Mr. Geraghty questioned if the program should be eliminated in the 2010 budget and Mr. Kenny asked if it were possible to eliminate it this year. Mr. Champagne agreed that they should consider eliminating the program now and added that if there was a current contract with Essex County they should look into the possibility of terminating the contract. Mr. Geraghty said that the issue should be referred to the Public Safety Committee to be discussed with the Sheriff's Office.

Following a brief discussion, motion was made by Mr. Stec, seconded by Mr. Sheehan and carried unanimously to refer the issue of the possibility of eliminating the Sheriff's Boat Patrol Program to the Public Safety Committee.

Mr. Geraghty stated that the next program to be discussed was the Warren County Fish Hatchery, which cost the County in excess of \$100,000 per year to operate. He added that the repercussion of eliminating the program was that there was a possibility that ownership of the property would revert back to the State, which would make it necessary to relocate the Parks, Recreation & Railroad Department. Mr. Stec stated that the County should contact the State to determine if use of the property could be retained without the operation of the Fish Hatchery and added that the County should no longer fund the Fish Hatchery. Mr. Champagne questioned if the County would eliminate the Fish Hatchery if the ownership of the property reverted to the State. Mr. Stec responded that he felt that the County should eliminate the Fish Hatchery regardless of the answer received from the State. He said that he didn't see how the

Board could layoff employees and continue to fund the Fish Hatchery. Mr. Sheehan suggested that the County should request that the State fund the operation of the Fish Hatchery. Mr. Taylor noted that equipment was stored on the property and the cost of storing the equipment elsewhere should be investigated. Mr. Bentley voiced his opinion that the Fish Hatchery was important to Warren County and added that many of our tourists came for fishing vacations.

Motion was made by Mr. Stec, seconded by Mr. Taylor and carried unanimously to request the County Attorney to contact the New York State Department of Environmental Conservation regarding the specified uses of the Fish Hatchery; request a waiver to allow the County to continue to use the property if the Fish Hatchery was not operated by the County; request the State to assume operation of the Fish Hatchery; and to proceed with the County de-funding the operation of the Fish Hatchery.

Mr. Geraghty advised that the next program for discussion was the Floyd Bennett Memorial Airport. Mr. Stec said that he had heard comments from many constituents that the Airport was over funded. Mr. Geraghty noted that the reason the Airport had been included for discussion was that it was a non-mandated program. Mr. Taylor stated that the Committee did not have enough information, such as the value of the land and the assets, to make a decision on the Airport. Mr. Stec suggested that the issue of considering options to reduce the Airport budget be referred to the Public Works Committee for review and discussion. Mr. Champagne said that the Airport should be considered during the second round of program reductions. Chairman Monroe noted that last year there had been a study done by the Warren County Economic Development Corporation pertaining to the possibility of privatizing the Airport, which might be beneficial to review.

Motion was made by Mr. Champagne, seconded by Mr. Stec and carried unanimously to refer the issue of considering options to reduce the Airport budget including the feasibility of privatizing the Airport to the Public Works Committee.

Mr. Geraghty stated that the next program for discussion was the Countryside Adult Home and he added that he felt that any programs for senior citizens should remain intact. Mr. Kenny asked the annual cost of the program and Hal Payne, Commissioner of Administrative & Fiscal Services, replied that it was \$547,000. Mr. Belden asked if the cost was reimbursed by the State and Mr. Payne responded that it was reimbursed at 50% and \$547,000 was the cost to the County. Mr. Taylor asked if the State was responsible for the care of the residents if the facility was closed and Mr. Payne responded that their care was the responsibility of the County. Mr. Stec suggested that the County could phase themselves out of the program by not accepting new residents. Mr. Geraghty reported that the Director of Countryside was initiating new programs to make the facility fully operational and was researching possible ways to increase the current number of residents. Chairman Monroe pointed out that Mr. Sokol had requested a 2010 budget request from Countryside Adult Home and Westmount Health Facility with a 5% reduction.

Discussion ensued.

Mr. Geraghty said that the next non-mandated program was the Office for the Aging. He added that the Meals-on-Wheels Program was vital to many senior citizens. Mr. Stec asked what the program cost the County and Mr. Geraghty responded that it was \$669,275. He added that the

cost included the maintenance of the mealsites, the cost of the food and the salaries of the employees who operated the program.

Mr. Geraghty stated that the next programs for discussion were four non-mandated Health Services programs, which he detailed, as follows:

1. Preventive, which promoted Health Services programs and cost \$54,000;
2. Family Health, which provided home visits to high risk pregnant women and cost \$52,373;
3. Disease Control, which provided immunizations and cost \$11,000; and
4. Tobacco Education, which educated students about the health risks of tobacco usage and cost \$30,000.

Mr. Geraghty reported that there were twelve employees associated with these programs and that much of the total cost was reimbursable. Mr. Kenny referred to the Empire Center Benchmarking New York Report which had been completed by the New York State Association of Counties (NYSAC) and reported that the expense of Health Services in Warren County was the 8th highest per capita of the 50 counties.

Mr. Sokol entered the meeting at 9:26 a.m.

Mr. Kenny stated that Otsego County, which was comparable in size to Warren County, had a cost for Health Services of \$93 per capita, as compared to Warren County's cost of \$306 per capita. Mr. Geraghty questioned if the Committee wished to refer the review of the four non-mandated programs to the Health Services Committee and Mr. Stec responded that the Health Services Committee should report back to the Budget Committee with a review that considered the Empire Center Benchmarking New York Report. Mr. Payne explained that one of the major factors in Warren County's cost per capita was that they had a CHHA (Certified Home Health Agency), which was operated by the Health Services Department. He added that Health Services generated a large portion of their revenue from the operation of the CHHA Program.

Following a brief discussion, motion was made by Mr. Champagne, seconded by Mr. Stec and carried unanimously to refer the issue of reviewing and discussing the possibility of eliminating or reducing the following non-mandated programs to the Health Services Committee: Preventive; Family Health; Disease Control; and Tobacco Education and request that the Empire Center Benchmarking New York Report be considered in the report.

Mr. Geraghty noted that the next program listed was Westmount Health Facility, which had been discussed earlier in the meeting along with Countryside Adult Home. Mr. Taylor questioned if benchmarking reports were available for Countryside Adult Home and Westmount Health Facility. Mr. Payne responded that the Medicaid Cost Report would provide the cost per resident per day. Mr. Taylor asked how the cost per resident per day compared with other counties and Mr. Payne he did not have the information at the time; however, he added, he could obtain it.

Mr. Geraghty apprised that the next program for discussion was the Youth Bureau. He added

that although this was a non-mandated program, he felt that it was beneficial to the community. He advised that they would be discussing departmental workforce reductions later in the meeting which would include a suggestion to reduce the staff at the Youth Bureau. Mr. Belden asked the total budget for the Youth Bureau and Mr. Geraghty replied \$61,000.

Mr. Geraghty said that the last program for discussion was the Sheriff's Road Patrol. He voiced his opinion that some communities did not have a local police force and without the Sheriff's Road Patrol they did not have police protection.

Paul Dusek, County Attorney entered the meeting at 9:30 a.m.

Mr. Belden suggested a reduction in the number of employees by one to two employees per shift. Mr. Geraghty mentioned the possibility of an incentive program for retirees which would allow the County to eliminate positions through attrition. Mr. Stec suggested that the issue of possibly reducing the employees in the Sheriff's Road Patrol be referred to the Public Safety Committee with the encouragement that they look into the retirement incentive program. Mr. Kenny said that he was not in favor of eliminating the Sheriff's Road Patrol; however, he added, he felt that reducing the workforce by one or two employees per shift would lessen the expense yet leave the program viable. Mr. Geraghty reiterated that they were working on a plan that would eliminate positions through attrition. Mr. Bentley said that the Sheriff's Road Patrol was reduced by five employees last year.

Mr. Geraghty said that the next item for discussion was the possibility of reducing funding to outside agencies. He distributed and reviewed a summary list of agencies and the proposed reductions to the Committee members; a copy of the list is on file with the minutes.

Referring to the list, Mr. Kenny advised that he disagreed with the reduction in funding to the City of Glens Falls from \$125,000 to \$75,000, a reduction of \$50,000. He stated that the reduction would shift the burden directly to the taxpayers of the City of Glens Falls. Mr. Sheehan agreed with Mr. Kenny and added that it took a long time for the County to increase the funding to its current level. He asked that when the economy improved, the Board look at ways to increase the funding back to its current level. Mr. Stec reminded that Committee that the funding that was committed to the City of Glens Falls for replacement of the Civic Center seats was not included in the amount listed. He explained that although the \$50,000 reduction would shift the burden to the City of Glens Falls, it was important to realize that historically the funding to the City of Glens Falls was funding that only went to that community and was not provided to the individual towns. Mr. Thomas apprised that since 1994 in excess of \$2.1 million had been allocated to the City of Glens Falls for their recreational facilities. He added that there was a park in the Town of Stony Creek which did not receive any financial assistance from the County. Mr. Bentley added that there were two parks in the Town of Horicon which also did not receive any financial assistance. Mr. Kenny noted that the funding used to be \$150,000 and was reduced in 2009 to \$125,000.

Motion was made by Mr. Stec, seconded by Mr. Merlino and carried by majority vote to approve the list of proposed reductions to outside agencies for 2010 in its entirety, with Mr.

Kenny voting in opposition. *The necessary resolution was authorized for the May 15, 2009 Board meeting.*

Mr. Geraghty stated that the next item for discussion was a referral to the Personnel Committee that would meet immediately following the meeting. He distributed a list of 22 proposed workforce reductions; a copy of same is on file with the minutes. He explained that the 22 slots had been identified for elimination and it would be the decision of the Department Heads which slots would be eliminated. Chairman Monroe stated for clarification purposes that they were not discussing layoffs, which would require negotiation with the union, they were discussing the elimination of 22 positions in Warren County. Mr. Geraghty noted that 22 positions had been eliminated in the 2009 budget and this would eliminate an additional 22 positions.

Mr. Belden stated that the Department of Public Works (DPW) was listed as eliminating two positions and they had two employees scheduled for retirement; therefore, he added, in the case of the DPW it was merely a matter of not filling the vacant positions. Mr. Champagne said that elimination through attrition was ideal; however, he added, there were not currently 22 employees scheduled to retire from the Departments which were listed. He advised that prior to initiating a retirement incentive program the County needed to evaluate the cost of offering the incentive versus the cost of filling vacant positions based on the need for services. Mr. Geraghty advised that the Committee had decided to eliminate the 22 positions by July 1, 2009. Mr. Champagne asked if the retirement incentive would be in place by July 1, 2009 and added he would hate to eliminate positions in July and offer an incentive in August.

Mr. Geraghty asked Paul Dusek, County Attorney, to estimate the amount of time necessary to establish a retirement incentive program. Mr. Dusek responded that the process of initiating a retirement incentive program would involve two steps; first to enact a local law and second to negotiate with the union. He added that the local law process could be completed by mid-July, which would allow the County to offer the retirement incentive to non-union employees. He advised that how quickly the program could be in place for union employees would depend on negotiations with the union. Mr. Merlino said that the elimination of the 22 positions might encourage the union to negotiate. Mr. Geraghty stated that the County's intention with the elimination of the 22 positions was to reduce the size of government and added that the retirement incentive was to be offered to further reduce the workforce.

Motion was made by Mr. Stec, seconded by Mr. Taylor and carried unanimously to approve the elimination of the 22 positions, as outlined above and to forward same to the Personnel Committee.

Mr. Geraghty advised that the Committee would also investigate the projected health insurance increase. He said that negotiations with the unions would be necessary but could potentially provide a huge savings to the County in health insurance benefits. He reported that the retirement costs of \$1.4 million were a direct result of the stock market crash. He said that the projection of waste management cost of \$2.2 million was mostly due to the increase in the cost of electricity. He added that the County's obligation to the burn plant would end in 2011 and

he advised that the funds that were saved should be dedicated to increasing the fund balance. He said that the cost of union contract settlements was \$1.1 million; however, he added, they would attempt to discuss these contract settlements with the union in the near future. He reported that in prior administrations the decision had been made to pay only the interest on the debt which had increased the current amount of debt service to the County.

Mr. O' Connor and Shane Ross, Chief Deputy, entered the meeting at 9:50 a.m.

Mr. Geraghty stated that the reduction of government was the first step and he believed that it was the desire of the public. Mr. Stec referred to the 2005 County Route 11 debt which had been caused by the washout and asked if it was worthwhile to repeat the request that the State fund it. Mr. Geraghty responded that he had spoken with Congressman Scott Murphy, who had mentioned that he felt the district was falling behind in transportation needs. He suggested that the Chairman draft a letter to Congressman Murphy explaining that the County had been promised Federal funding for the 2005 washout of Route 11 which had not been received.

Mr. Stec questioned the State reimbursement for Adirondack Community College (ACC). He said that 75% of the amount to be raised by taxes was the direct result of unfunded State mandates. He explained that State law required that the State pay the counties 40% of the net operating costs for the community colleges. He added that for the last ten years that State had not paid more than 35% of the operating costs of ACC. He said that for 2008 the amount that Warren County had been shorted was \$750,000 and over the last ten years Warren County had been shorted approximately \$6 million. He suggested the possibility of Warren County suing the State for the unpaid funding in violation of State law. Since Governor Paterson had issued press releases pertaining to unfunded mandates, Mr. Geraghty advised, that this was the opportune time for the Chairman to draft a letter to him stating that this issue should be addressed.

Chairman Monroe advised that the possibility of offering voluntary unpaid furloughs of one to two weeks should be addressed immediately. He said that he felt that there would be some employees who might be interested in unpaid furloughs in order to extend their vacation time. He added that the unpaid furloughs would be strictly voluntary and if every employee in the County took one week of unpaid furlough it would be a savings of approximately \$1 million. He apprised that some counties had been able to negotiate deals pertaining to their landfills. He added that Warren County had been negotiating on the Hartford Landfill for 5 years. He continued that Washington County had passed a resolution to put the Hartford Landfill up for auction. He explained that the sale of the property would be for a fraction of the amount that Warren County had invested in the property, but it was necessary to consider.

Chairman Monroe stated that sales tax had been down by 8% in the first quarter of the year and if it remained down by 8% for the remainder of the year it would be an additional loss of \$4 million. He advised that there was an issue with the Rockefeller Drug Laws being repealed, which would cause the inmates incarcerated in State prisons to be transferred back to the County jail to await re-sentencing. He said that many of the inmates would receive probation

which would increase the cost to the jail and the Probation Department.

Chairman Monroe said that he had received an estimate from the Treasurer's Office that the County would save \$2 million between the Federal Medical Assistance Percent (FMAP) reimbursement and the reduction in the cost of Medicaid and he suggested that the savings be used to rebuild the fund balance. He advised that nothing that had been decided thus far would assist in the rebuilding of the fund balance, it would merely assist the County in meeting the 2009 budget. He stated that with the recent extension of unemployment benefits, the County would pay unemployment benefits for each employee that was laid off for 52 weeks. He said that Warren County would only save 45% of the cost of salaries for those that were laid off for that 52 week period.

Mr. Champagne said that at a recent meeting it had been announced that Warren County's contribution to ACC would be approximately 3% of the budget. He suggested that a resolution might be necessary to reduce the base contribution. Mr. Geraghty asked when ACC developed their 2010 budget and was advised that they were currently working on it. He advised that a letter should be sent to ACC stating that Warren County was looking for a 0% increase in the 2009-2010 budget.

Motion was made by Mr. Champagne, seconded by Mr. Stec and carried unanimously to authorize the Chairman to draft a letter to ACC stating that Warren County was looking for a 0% increase in their 2009-2010 budget.

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 10:01 a.m.

Respectfully submitted,
Charlene DiResta, Sr. Legislative Office Specialist