

WARREN COUNTY BOARD OF SUPERVISORS

COMMITTEE: BUDGET

DATE: JULY 8, 2009

COMMITTEE MEMBERS PRESENT:

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

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 BENTLEY
PITKIN
TESSIER
THOMAS
SIMMES
STRAINER

PAT AUER, DIRECTOR, PUBLIC HEALTH
JUDY HARRIS, COUNTY AUDITOR
TODD LUNT, DIRECTOR, HUMAN RESOURCES
JULIE PACYNA, PURCHASING AGENT
SHEILA WEAVER, COMMISSIONER, DEPARTMENT OF SOCIAL SERVICES
BUD YORK, WARREN COUNTY SHERIFF
MARILYN VAN DYKE, WARREN COUNTY HISTORICAL SOCIETY
THOM RANDALL, *THE ADIRONDACK JOURNAL*
AMANDA ALLEN, SR. LEGISLATIVE OFFICE SPECIALIST

Mr. Geraghty called the meeting of the Budget Committee to order at 9:00 a.m.

Motion was made by Mr. Belden, seconded by Mr. Champagne and carried unanimously to approve the minutes from the June 10, 2009 Committee meeting, subject to correction by the Clerk of the Board.

Commencing the agenda review with Item 2, Mr. Geraghty introduced Marilyn Van Dyke, of the Warren County Historical Society (WCHS), who was in attendance to address the Committee.

Ms. Van Dyke apprised that the WCHS was one of the last County Historical Societies within New York State and they operated on an annual budget of approximately \$30,000, which was appropriate for the size of the organization. She said that the WCHS was a membership organization with 120 current members and she advised that a plan had been developed to attempt to increase this number over time. Ms. Van Dyke noted that although the WCHS was run by volunteer members, operation costs of approximately \$800 per month were incurred through utility and rent expenses. She reminded the Committee that the County had provided the WCHS with funding in the amount of \$5,000 annually over the past years which had been traditionally divided into two portions. Ms. Van Dyke apprised that half of the funding was used for the development of the Warren County History Book, while the remaining \$2,500 was applied to various services provided by the WCHS to both Warren County residents and tourists visiting the area. She said that County funding was used to support children's programs, such as the Children's History Camp which they had been operating for the past five years; to operate the WCHS internet website, which had

gained a very wide network of contacts and both proclaimed and explained the history of Warren County; assisted with the publication of the Past Times Newsletter, which was produced on a quarterly basis, as well as the Rewind columns which were published in *The Post Star* on a weekly basis; supplied funding for archival supplies and collection costs; allowed for the purchase of books for the WCHS library and had assisted with the costs of photograph exhibits on display at the WCHS Heritage Center.

Ms. Van Dyke said she was very pleased to announce that they were in the final stages of completing the Warren County History Book and anticipated that it would be available for circulation prior to the 2009 Christmas holiday. She added that the production of the Book had been a very long and arduous effort and they were currently working to complete the final stages which included the layout and design, as well as the indexing of the Book.

At the WCHS Heritage Center they were able to interpret Warren County, Ms. Van Dyke stated, as well as the Town of Queenbury and the Hamlet of the Oneida where they were located. She said the WCHS made considerable efforts to provide exhibits and materials available for visitor review at all times; she added that the Heritage Center operated on Tuesdays and Thursdays and she said that visitors were always welcome. Ms. Van Dyke noted that the WCHS operated using a volunteer staff, with the exception of herself, who received a modest salary in connection with her position. She advised that the WCHS was located on the Lakes to Locks Tourist Trail and were currently receiving many summer visitors. Ms. Van Dyke advised that the WCHS attempted to perform cooperative work with other historical societies located throughout Warren County whenever possible and had organized an annual History Day during which all of the historical societies located in the County joined together on that day to meet one another and to develop understanding and support of the efforts being made by each entity.

Ms. Van Dyke stated that although it was the hope of the WCHS that the County would continue to provide the \$5,000 contribution allotted in the past, she understood that it was a difficult budget year and reductions were necessary. She noted that if a reduction in funding to the WCHS was deemed necessary, they might be able to find a way to reduce the costs associated with the production of the Warren County History Book commensurately to allow for the continuation of the other programs and benefits currently offered. Ms. Van Dyke apprised that the WCHS was a very conservative organization and were proud to have never faced a financial deficit by minimizing expenses associated with their operation.

Mr. Geraghty thanked Ms. Van Dyke for her comments and noted that the Committee would keep her comments in mind during the remainder of the 2010 Budget process with the possibility of revisiting the contribution amount in the future.

Mrs. Simmes and Mr. Stec entered the meeting at 9:08 a.m.

Continuing the agenda review, Mr. Geraghty advised that Agenda Item 3 pertained to an update on the Up Yonda Farm and its financial status, which he asked JoAnn McKinstry, Deputy Commissioner of Administrative & Fiscal Services, to address. Mrs. McKinstry advised that in recent discussions with a representative of Glens Falls National Bank, the financial institution that managed the Up Yonda trust fund, she had been apprised that the trust was not doing as well as anticipated. She stated that although there would be sufficient monies available within the trust to fund Up Yonda operations for the remainder of 2009, there would be insufficient funding for programs in 2010. Due to the lack of financial support from the Up Yonda trust, Mrs. McKinstry advised that the Budget Committee would have to make a determination as to whether or not County funds would be used to supplement the amount necessary to maintain operations at Up Yonda. She added that as per the Glens Falls National Bank representative, the Up Yonda property could be transferred to another agency if the County was unable to financially support its operation. Mrs. McKinstry apprised that Paul Butler, Director of Parks, Recreation & Railroad, would be addressing

the matter at the next Public Works Committee meeting and intended to propose an increase in fees charged for Up Yonda programs.

Mr. Geraghty questioned if any indication had been given as to the shortfall anticipated for 2010 and Mrs. McKinstry stated that it appeared there would be sufficient monies available to fund wages, electricity, heating, telephone and repair and maintenance costs, but that there would be no funding for programs if the County was unwilling to contribute. Mr. Belden asked how much the Up Yonda trust had contributed for operations in 2009 and Mrs. McKinstry replied that \$176,000 had been contributed for 2009 and \$167,000 would be contributed for 2010.

Mr. Champagne reminded the Committee members that a resolution had been passed earlier in the year stating that the County would not contribute any funding to Up Yonda for 2010 and he questioned the implications of transferring Up Yonda to another agency. Mrs. McKinstry replied that according to the will that gifted funding to Up Yonda, the property could be transferred to another not-for-profit agency that agreed to operate Up Yonda programs or the County could transfer the property back to the bank, in which case the bank would transfer it to another not-for-profit agency, or sell the property.

Mr. Pitkin asked if grant funding was actively being sought to support operations at Up Yonda and Mrs. McKinstry replied affirmatively, noting that the problem with the grants was that most of them only covered the costs of the programs themselves and did not fund operating expenses. She added that in order to provide programs, staffing was necessary, the costs of which were not covered under the grant funding. Mr. Champagne interjected that this did not seem correct because funding was already available for expenses such as wages and utilities and they were only lacking funds for programs which could be gained through grant funding and he questioned whether the existing staff were able to administer programming. Hal Payne, Commissioner of Administrative & Fiscal Services, replied that because the staffing had been reduced they would not be able to provide the same number of programs that had been available in the past. Mrs. McKinstry noted that programming required the purchase of supplies, which incurred additional expenses; she added that she was not as well versed as Mr. Butler with respect to operations at Up Yonda and expected that Mr. Butler would make a more detailed presentation at the next Public Works Committee meeting.

In response to a question posed by Mr. Belden, Mr. Payne apprised that he believed the principal balance of the Up Yonda trust was in the area of \$3.5 million; however, he noted, they were only able to draw funding from the interest raised on the principal. Mr. Belden asked if it was possible to speak with the managers of the trust to determine if an exception could be made to draw funding from the trust principal in order to maintain operations at Up Yonda and Mr. Payne replied that he did not think this was possible due to the manner in which the trust fund had been established. Paul Dusek, County Attorney, apprised that the trust was set up before he had become employed by the County and he was unable to provide counsel on the matter without first reviewing the trust documentation. Mr. Champagne said that as he recalled from prior discussion on the topic, the rules of the Up Yonda trust could not be broken to allow access to the principal amount; therefore, he said, any further action to attempt access to the funds was futile.

Mr. Taylor asked what the Up Yonda funding shortfall would be for 2010 and Mr. Payne replied that approximately \$18,000 had been budgeted for programs in 2009 and because there was a lack of funding for programs, he projected that this would be the approximate shortfall for 2010.

Discussion ensued.

Chairman Monroe apprised that he was a member of the Board of Supervisors when the Up Yonda trust was established and it had been adamantly stated at that time that no County monies would be required to fund operations at Up Yonda. He suggested that notification be given to Glens Falls National Bank that no County money would be available for 2010 and that they should explore options for possibly transferring the property to another not-for-profit agency.

Mr. Pitkin questioned whether there was anyone who sought out private or corporate funding for Up Yonda and Mr. Payne replied affirmatively, advising that there was a Board of Volunteers member who sought this manner of funding for the facility.

Motion was made by Mr. Champagne, seconded by Mr. Stec and carried unanimously to authorize the submission of a letter to Glens Falls National Bank stating that no County funding was available for operations at Up Yonda and that they should explore other options for the future of the property.

Mr. Geraghty announced that the final agenda item pertained to referral items which were detailed as follows:

1. Respective to the Committee's request for lists from all Departments reflecting the programs offered and the manner in which they were funded, Mr. Payne replied that the listing was incomplete as he had only received information from the larger Departments. Mr. Geraghty asked Mr. Payne to secure any missing information for presentation and discussion at the next Committee meeting;
2. Mr. Payne advised that the agenda included a comparative listing of five County nursing homes and three adult care facilities and the cost per day for operation of each, as requested by the Committee. He pointed out that the figures indicated that the daily cost rates for both Westmount Health Facility and Countryside Adult Home were in line with other area County-run facilities. Mr. Champagne questioned if the daily rate indicated for Countryside Adult Home would decrease commensurate with a reduction in the number of beds within the facility and Mr. Payne replied that the rate would only decrease if staffing was decreased, which was likely to occur with a reduction in the number of available beds;
3. With regard to the Committee's request that Chairman Monroe draft a letter to Congressman Scott Murphy explaining that the County had been promised Federal funding for the necessary repairs caused by the 2005 washout of County Route 11 which had not been received, Chairman Monroe advised that he had sent such letters to Congressman Murphy and Senators Schumer, Clinton and Gillibrand with no response from any but Senator Gillibrand;
4. Mr. Champagne advised that he had spoken with Joan Sady, Clerk of the Board, with respect to setting up a meeting with the appropriate parties to further discuss shortages in State funding received for operations at ACC (Adirondack Community College), and he said he had also asked Mr. Dusek to research the matter further to determine whether the State was maintaining their responsibilities of providing 40% funding for ACC.

Mr. Dusek apprised that through his research he had found that the Education Law for Community Colleges cited that the State would be responsible for funding 33% of the community college's operational expenses, or up to 2/5 or 40% funding depending on whether special programs were available, while in later paragraphs of the law it allowed the State the ability to limit expenses and to develop various formulas for determining their contributions. Mr. Dusek stated that in 1983 a Westchester County college had sued the State in relation to this matter and the Courts had ruled in favor of the State, noting that the second portion of the Education Law outlined that the Board of Trustees and the State Budget Chief could set limitations on what the expenses would be and to develop various formulas for determining the State contributions. He said that the Westchester County college had argued that this

meant that the State could set limits only on the amount spent for the teaching staff, utilities or expenses of that nature, but instead the State seemed to be ignoring these rules and were setting a per student limit as to how much they would pay. They had further argued that the State should be paying a minimum of 33% and then setting a limit for various operations on top of that, Mr. Dusek said. He advised that the Courts had indicated that the second paragraph of the Education Law allowed the State the ability to set limitations which essentially allowed them to set their own rules as to how the community colleges would be funded, thereby justifying the State's actions in determining the per student amount being paid.

Mr. Dusek stated that because the judgement had been made by the 3rd Department Appellate Division, which meant that the case had been reviewed by both the Supreme Court and the Appellate Division, he felt it would be very difficult to sue the State and have the ruling overturned as there was only one higher court to seek a ruling from, which was the Court of Appeals. He noted that although there was one judge that had agreed with the opinion of the Westchester County college, all of the other judges had voted in favor of the State. Mr. Dusek concluded that there was not a good chance of gaining any further State funding, due to the prior Court rulings which allowed the State to set the funding standards themselves.

In light of the information provided by Mr. Dusek, Mr. Champagne asked Mrs. Sady to disregard his prior request to schedule a meeting to discuss the matter with State officials. When questioned as to the amount by which the County contribution to ACC would increase for 2009, Mr. Champagne advised that the contribution would increase by \$118,000 as the number of Warren County resident enrollees had increased while the number of Washington County resident enrollees had decreased. He apprised that ACC had been facing a 10% decrease in State funding; however, Federal Stimulus Funding had been received by the State and the decrease had been avoided. Mr. Champagne noted that if Stimulus Funding was not available for 2010 it was likely that State funding would decrease for that year, transferring the burden to Warren and Washington Counties.

Chairman Monroe suggested that the only option available was for the issue to be referred to the Legislative Committee to request Legislative action which would remove some of the flexibility from the Education Law that allowed the State to provide funding for community colleges as they desired.

Motion was made by Mr. Champagne, seconded by Mr. Belden and carried unanimously to refer the issue to the Legislative Committee as suggested by Chairman Monroe.

5. Mr. Geraghty reminded the Committee that during the previous meeting they had decided to table discussion on Resolution No. 385 of 2009, which determined the amount of funding for certain non-mandated programs and outside agencies. He advised that meetings with Department Heads to discuss budget reductions were ongoing and he suggested that the discussion remain tabled until they determined the extent to which the budget could be reduced through Departmental budget reductions. Mr. Geraghty then asked Rick Murphy, Deputy Commissioner of Fiscal Services, to speak with respect to the current sales tax figures. Mr. Murphy apprised that as of the July sales tax payment, it appeared that revenues were down by approximately \$1.1 million; he added that if the trend continued, he estimated a decrease in sales tax revenues of \$2.6 million by the close of 2009. The Committee was in agreement with Mr. Geraghty's recommendation and the decision was made for the item to remain tabled for further discussion at a future Committee meeting;
6. Mr. Dusek advised that he had not performed any research regarding the legality of implementing capabilities for Supervisors to telecommute for Committee meetings in an effort to reduce travel costs.

Mr. Champagne questioned whether there had been any further meetings with Union groups since the Special Board Meeting held on June 30th and Mr. Dusek replied affirmatively noting that formal meetings and telephone conversations had been held and he said they were close to reaching an understanding with the CSEA. Mr. Dusek added that they were still working to reach agreements with the PBA and the Alliance Unions; however, he noted, those negotiations were not progressing as quickly as they had with the CSEA. He stated that he hoped to have more information to report at the upcoming July 17th Board meeting.

A brief discussion ensued.

When asked to speak on the status of the voluntary furlough program recently instituted for County employees, Todd Lunt, Human Resources Director, advised that in the first week of the program a savings of over \$500 had been derived for four employees who had taken advantage of the program.

Mr. Kenny questioned whether a Departmental analysis of overtime use could be developed in an attempt to curb some of the costs incurred. He said that although he understood that it was very difficult to control overtime in some Departments, he felt that efforts could be made to contain costs in others. Mr. Geraghty agreed that this was a sensible request as it was critical to control 2009 expenses in light of the budget crisis currently faced by the County and he asked Mr. Payne to develop the report for discussion at the next Committee meeting.

As there was no further business to come before the Budget Committee, on motion made by Mr. Belden and seconded by Mr. Champagne, Mr. Geraghty adjourned the meeting at 9:40 a.m.

Respectfully submitted,
Amanda Allen, Sr. Legislative Office Specialist