

WARREN COUNTY BOARD OF SUPERVISORS

COMMITTEE: BUDGET

DATE: AUGUST 12, 2009

COMMITTEE MEMBERS PRESENT:

SUPERVISORS BELDEN
O'CONNOR
CHAMPAGNE
KENNY
SHEEHAN
MERLINO
TAYLOR
STEC

COMMITTEE MEMBER ABSENT:

SUPERVISOR GERAGHTY

OTHERS PRESENT:

FREDERICK MONROE, CHAIRMAN OF THE BOARD OF SUPERVISORS
HAL PAYNE, COMMISSIONER OF ADMINISTRATIVE & FISCAL SERVICES
JOANN MCKINSTRY, DEPUTY COMMISSIONER OF ADMINISTRATIVE &
FISCAL SERVICES
JOAN SADY, CLERK OF THE BOARD
SUPERVISORS BENTLEY
PITKIN
SIMMES
SOKOL
STRAINER
TESSIER
THOMAS
VANNESS
PAT AUER, DIRECTOR, PUBLIC HEALTH
JUDY HARRIS, COUNTY AUDITOR
TODD LUNT, DIRECTOR, HUMAN RESOURCES
SHEILA WEAVER, COMMISSIONER, DEPARTMENT OF SOCIAL SERVICES
BUD YORK, WARREN COUNTY SHERIFF
GEORGE WEINSHENK, LAKE GEORGE RESIDENT
THOM RANDALL, *THE ADIRONDACK JOURNAL*
AMANDA ALLEN, SR. LEGISLATIVE OFFICE SPECIALIST

In the absence of the Committee Chairman, Vice Chairman Belden called the meeting of the Budget Committee to order at 9:00 a.m.

Motion was made by Mr. Sheehan, seconded by Mr. Kenny and carried unanimously to approve the minutes from the July 8th Committee meeting, subject to correction by the Clerk of the Board.

Copies of the meeting agenda were distributed to the Committee members, a copy of which is also on file with the minutes.

Mr. Belden began the agenda review with Item 2, noting that packets were distributed to all Department Heads on July 21st for use in preparing their individual budgets which would eventually be presented to the Budget Committee. When questioned as to whether a deadline had been established for the submission of Departmental budgets, Joan Sady, Clerk of the Board, replied that the deadline was September 4th. However, she added, meetings had been scheduled for the week beginning August 24th for all Departments to discuss their budget requests with the Committee and she anticipated that the budgets would be submitted at that time. Mrs. Sady advised that a listing of the budget review sessions scheduled was included in the agenda packet.

Mr. Belden stated that a 10% County tax rate increase was expected even if the Departmental budgets reflected a 0% increase for 2010. Therefore, he said, budget increases were not likely to be approved and all Department Heads should attempt to provide budget figures which were the same or less than those included in the 2009 Budget.

Referring to the Budget Facts sheet included in the agenda, Chairman Monroe pointed out that the \$2 million listed as FMAP (Federal Medical Assistance Percent) Medicaid savings projected by the State, would not be guaranteed until the 2010-2011 State Budget was adopted. He added that although the State had offered an additional \$1.5 million in FMAP savings, totaling \$2 million when added to the \$500,000 already guaranteed to the County, it was possible for the State to rescind the \$1.5 million savings offered at any time before their budget was adopted. Sheila Weaver, Commissioner of the Department of Social Services, advised that she had received notification from the State which seemed to indicate that the FMAP savings would be available to the County through March of 2011, thereby offering another full year of Medicaid cost savings. JoAnn McKinstry, Deputy Commissioner of Administrative & Fiscal Services, recommended that the \$2 million FMAP savings not be included in the 2010 Budget until written confirmation had been received from the State promising such funding.

Mr. Kenny said that he expected to see a significant increase in sales tax pursuant to the Federally funded "Cash for Clunkers" incentive program which encouraged buyers to trade in their older vehicles for new fuel efficient vehicles by offering buyers up to a \$4,500 credit. He pointed out that as per a recent article in *The Post Star*, a local car dealership had sold 100 vehicles in the past week, which was outstanding. Mr. Kenny then reminded the Committee that at prior meeting they had requested that an appraisal be performed to determine the value of the Warren County Fairgrounds property and he questioned whether that had been done. Mr. Belden replied that he recalled making the request but did not think that the appraisal had been performed. He asked Mrs. Sady to contact Mike Swan, Director of Real Property Tax Services, and request that an appraised value for the Fairgrounds property be provided for the Committee's review.

Referring to a position within the Youth Bureau, Mr. Kenny said it was his understanding that the position would be retained for the remainder of 2009 as grant funding for the position had already been accepted and he questioned whether the position would be eliminated in the 2010 Budget to which Mrs. Sady replied affirmatively.

In response to an inquiry respective to possible contributions from Essex and Washington Counties to support boat patrols on Lake George, Bud York, Sheriff, advised that he had been in contact with an Essex County representative who indicated that they were considering funding a portion of the boat patrol costs. He added that he had not received any response from Washington County and he suggested that Chairman Monroe contact the Chairman of the Washington County Board of Supervisors with respect to the matter. Chairman Monroe apprised that he would make contact with Washington County as suggested and Mr. Kenny interjected that a response would be required within the next month or so in order to finalize the issue prior to commencing with preparations for the 2010 Budget.

Chairman Monroe pointed out that the Budget Facts sheet did not reflect a figure for the Reduction in Workforce Initiative. He noted that an agreement with the CSEA had been made allowing the County to implement the program, but they would not have a clear picture of the savings gained until the number of employees willing to participate was determined. As for Voluntary Furloughs, Chairman Monroe apprised that the program had only been implemented on July 1, 2009 and the County had already saved \$6,000 through employee participation. Sheriff York interjected that three of his senior employees had already filed retirement paperwork in order to take advantage of the Reduction in Workforce Initiative and would be leaving the County's employ before the end of August.

Mr. Champagne questioned the Waste Management figure listed as a \$27,285 deficit under the Fund Balance portion of the Budget Facts sheet and Mrs. Sady replied that this was the Fund Balance as of December 31, 2008 and was not reflective of the 2009 anticipated shortfall. Mr. Belden stated that as per the Budget Facts sheet it appeared that there would be a \$2.2 million deficit for Solid Waste in 2010. Chairman Monroe stated that the projected deficit figure should be reviewed throughout 2010 as he questioned the figure. He noted that during 2008

electric revenues had been very high and the Solid Waste budget had been doing well, with a surplus of over \$1.5 million; therefore, he said, it had seemed reasonable at that time to use the surplus funds to balance the budget. Chairman Monroe added that unfortunately, energy and fuel prices had decreased for 2009 leading to lower electric revenues and causing a deficit projected by the Treasurer's Office to be \$1.1 million for the current year.

Mr. Taylor questioned the status of the sale of County-owned property located across the street from the Municipal Center Campus and Mr. Belden replied that the matter would be discussed at the upcoming Finance Committee meeting.

Mr. Thomas requested clarification on the \$1.2 million listed as Retirement costs on the Budget Facts sheet, noting that in December he had received an estimate of what would be paid by the Town of Stony Creek for retirement costs for 2009 which had shown a considerable decrease from the amount that had been included in the 2009 Budget. Chairman Monroe said that he had received a similar notice pertaining to the Town of Chester's contribution. Mr. Thomas suggested that the savings in retirement costs attained for 2009 be used to decrease the amount paid in the 2010 Budget. Mr. Pitkin apprised that he had contacted the Treasurer's Office with regard to this matter and had been advised that although there was a 25%-30% decrease in retirement costs for 2009, they should expect a 25%-40% increase in costs for 2010. Mrs. Sady advised that the Retirement figure included in the Budget Facts sheet accounted for a 40% increase in retirement costs for 2010, based on the advisement of the Treasurer's Office. Chairman Monroe questioned whether the positions abolished had been taken into account when this figure was developed and Mrs. Sady replied that she did not think they had been considered as the number had been determined fairly early in the year. In light of this issue, Chairman Monroe advised that this figure should be revisited.

Returning to the subject of the Solid Waste deficit, Mr. Champagne said that he had discussed the matter with Mr. Payne and they were getting closer to determining a more accurate figure for the 2009 deficit. Mr. Payne said that he had reached a tentative figure by totaling anticipated revenues and expenditures for the remaining months of 2009 and had determined a shortfall of approximately \$613,000. Mr. Champagne noted that this number was far less than the \$1.1 million deficit figure the Treasurer's Office had issued and this should alleviate some of the burden faced at the close of 2009.

Discussion ensued.

Mr. Pitkin questioned if the \$1.2 million listed as Debt on the Budget Facts sheet was for the purchase of the Gaslight Village property and Chairman Monroe replied in the negative, noting that this was all of the debt service for the County.

Mr. Kenny requested a status update on the receipt of Federal Stimulus monies. Chairman Monroe apprised that applications for several Federal Stimulus funding opportunities had been submitted and funding had been granted for two bridge projects in the Town of Stony Creek, as well as to pave Glenwood Avenue and a portion of Corinth Road. Mr. Belden pointed out that the projects funded by Federal Stimulus monies could not be completed by County forces, thereby requiring that the work be contracted to outside entities which made the work much more expensive. He added that the County would be required to pay the initial costs for these projects and await Federal reimbursement which could cause cash flow issues in the future. Chairman Monroe cited that Federal Stimulus monies had also been used by the State to reinstate CHIPS (Consolidated Highway Improvement Project) funding to its original amount and to offer the additional Medicaid FMAP savings. Mr. Belden stated that it was important to remember that the Federal granting opportunities might not be available in 2010 and that State funding would likely return to reduced amounts.

Ms. Weaver apprised that the Department of Social Services had received a number of small grants that helped to fund staffing and programs. She noted that a considerable amount of this funding did require that the County pay the initial costs and wait for reimbursement. For instance, she said, a grant in the amount of \$372,000 had been awarded to fund a program which offered \$200 per child for back-to-school supplies; however, the County would be required to pay the total initially and submit for 100% reimbursement. Pat Auer, Director of Health Services, advised that her Department was also slated to receive Federal Stimulus funding for the Health Services programs which would come in the form of contracts with some deliverables attached. She noted that she had yet to receive any written confirmation from the Federal granting agencies guaranteeing this funding.

Chairman Monroe reported that at a recent Committee meeting some discussion had been held with respect to the possibility of the 3E's (environmental groups) offering to buy the Gaslight Village property from the 3M's (Municipalities - Warren County, Town of Lake George and Village of Lake George). He said that if the offer were to come to fruition, it would save the County the amount of the debt service on the \$1.2 million borrowed for their \$1.3 million portion of the purchase, estimated at \$85,000, as well as reimbursement of the \$100,000 down-payment made by the County. Mr. Kenny asked if this matter would be discussed further at the August 21st Board meeting and Chairman Monroe said that he assumed there would be some discussion, although a firm offer had not yet been made by the 3E's.

Discussion ensued.

Mr. Kenny stated that as they began the development of the 2010 Budget, it appeared that the Budget Committee would split into two groups, one that supported a tax increase and another that was in favor of reducing the County workforce in order to avoid a tax increase. He said that although he had been a labor representative for most of his career and he sympathized with the plight of the employees, he would be forced to support layoffs in lieu of a tax increase.

George Weinshenk, Lake George resident, requested permission to address the Committee regarding his displeasure with the Lake George Park Commission's Stream Corridor Rules and Regulations. He said that because it did not appear that the Park Commission was doing anything to improve the quality of the Lake and were not concerned with how their Rules and Regulations would affect the Town and Village of Lake George or Warren County, he recommended that the Committee pass a resolution calling for the disbanding of the Lake George Park Commission. Mr. Weinshenk stated that because a Legislative Committee meeting had not been scheduled, he had elected to address the Budget Committee to voice his opinion on the matter.

Mr. Stec advised that two resolutions had already been passed by the Board of Supervisors opposing the Lake George Park Commission's Stream Corridor Rules and Regulations. Chairman Monroe apprised that he had received a letter from a representative of the Lake George Park Commission offering to meet with the Board of Supervisors to discuss this matter. He added that any Supervisors interested in meeting with the Lake George Park Commission should contact him directly. Mr. Belden stated his feeling that if a meeting were to be scheduled, the Supervisors of any town bordering Lake George be invited to attend.

As there was no further business to come before the Budget Committee, on motion made by Mr. Kenny and seconded by Mr. Stec, Mr. Belden adjourned the meeting at 9:31 a.m.

Respectfully submitted,
Amanda Allen, Sr. Legislative Office Specialist