

WARREN COUNTY BOARD OF SUPERVISORS

COMMITTEE: BUDGET

DATE: MARCH 3, 2010

COMMITTEE MEMBERS PRESENT:

SUPERVISORS GERAGHTY
GOODSPEED
KENNY
GIRARD
STEC
TAYLOR
CONOVER

OTHERS PRESENT:

JOAN SADY, CLERK
JOANN MCKINSTRY, DEPUTY COMMISSIONER OF ADMINISTRATIVE &
FISCAL SERVICES
SUPERVISORS BELDEN
LOEB
MCCOY
PITKIN
STRAINER
THOMAS
VANNESS

COMMITTEE MEMBERS ABSENT:

SUPERVISORS BENTLEY
MERLINO

FRANK O'KEEFE, TREASURER
RICK MURPHY, DEPUTY COMMISSIONER OF FISCAL SERVICES
WILLIAM LAMY, SUPERINTENDENT OF PUBLIC WORKS
JEFFERY TENNYSON, DEPUTY SUPERINTENDENT OF ENGINEERING
JULIE PACYNA, PURCHASING AGENT
DON LEHMAN, *THE POST STAR*
THOM RANDALL, *THE ADIRONDACK JOURNAL*
AMANDA ALLEN, SR. LEGISLATIVE OFFICE SPECIALIST
Please see sign-in sheet for additional meeting attendees.

Mr. Geraghty called the meeting of the Budget Committee to order at 10:30 a.m.

Motion was made by Mr. Kenny, seconded by Mr. Stec and carried unanimously to approve the minutes from the prior 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.

Commencing the agenda review with Item 1, Mr. Geraghty addressed a request for a transfer of funds in the amount of \$50,000 from Code A.1990 469, Contingent Account - Other Payments/Contributions, to Code A.8750 470, Agriculture & Livestock Extension Services Contract. He reminded the Committee that although Cornell Cooperative Extension had been allocated a total of \$296,875 during the 2010 Budget process, only \$246,875 had actually been included in the Budget; therefore, he said, a \$50,000 transfer was necessary in order to correct the oversight.

Motion was made by Mr. Girard, seconded by Mr. Goodspeed and carried unanimously to approve the request for transfer of funds as outlined above and refer same to the Finance Committee. *A copy of the request is on file with the minutes.*

Mr. Geraghty announced that Agenda Item 2 included a request to amend the 2010 Budget to decrease estimated revenues and appropriations by \$10,000 to reflect a correction due to an oversight. JoAnn McKinstry, Deputy Commissioner of Administrative & Fiscal Services, explained that during the budget

process, \$10,000 had been allocated to the Local Development Corporation (LDC), while simultaneously, the Director of the Planning & Community Development Department had arranged for the LDC to partially reimburse the salary of one Planning employee. She said that instead of both the County and the LDC sending each other a \$10,000 check, they had determined that the LDC budget would be reduced by \$10,000, as well as the anticipated revenues for Planning, in order to address the situation with one transaction that would have the same end result for both parties.

Motion was made by Mr. Taylor, seconded by Mr. Conover and carried unanimously to approve the request to amend the 2010 Budget as outlined above and refer same to the Finance Committee. *A copy of the request is on file with the minutes.*

Continuing to Agenda Item 3, Mr. Geraghty addressed the listing of anticipated State revenue reductions for 2010 and 2011 which included a \$20,000 reduction in Probation revenues; a \$14,521 reduction in WIC (Women, Infants and Children) funding and a \$128,000 reduction in funding for the Westmount Health Facility. He noted that these items had already been addressed within their respective Standing Committees and he questioned whether the Budget should be adjusted to reflect the decreases in revenue. Mrs. McKinstry responded in the negative, noting that requests to amend the Budget would be presented at each individual Committee meeting.

Mr. Kenny asked if these were anticipated reductions and Mrs. McKinstry replied that the figures represented actual reductions for 2010 which would also affect the 2011 Budget. Mr. Kenny suggested that the Department Head overseeing each of the affected programs should be directed to provide their plans for alternate budget reductions to offset State revenue reductions immediately, rather than waiting until the end of the budget year. Mrs. McKinstry advised that these actions would be taken by the Department Heads when presenting their requests to adjust the Budget. Joan Sady, Clerk of the Board, noted that Pat Auer, Director of Public Health, had already presented her proposal for budget reductions in connection with the \$14,521 reduction in State revenues for the WIC program. Mr. Kenny stated that this information should be presented to the Budget Committee as it became available in order to reassure them that offsetting budget reductions were being made for losses in anticipated revenues. Mr. Belden pointed out that the figures reported could actually be increased if State revenue figures were reduced further and Mrs. McKinstry advised that further reductions were possible. Mr. Girard stated that there were likely to be some reductions that could not be offset by program reductions in relation to State mandated services and alternate funding sources would have to be determined. He then asked if these items would be referred back to the Budget Committee to make them aware of the situation and Mr. Geraghty said that he would ask the Finance Committee to notify the Budget Committee of all such occurrences.

Mr. Geraghty announced that Agenda Item 4 pertained to appropriation increases for the 2011 Budget which were outlined on the last page of the agenda. He proceeded to review the figures for the Committee's benefit, concluding that there was a projected increase of \$943,000, or 2.5%, to the 2011 Budget. When questioned as to whether the figures listed represented actual or estimated figures, Rick Murphy, Deputy Commissioner of Fiscal Services, replied that they were estimates.

Respective to the \$850,000 listed for DPW Capital Projects, Mr. Geraghty asked if some of these costs could be bonded and Mr. Murphy replied that the total represented Capital Project costs for 2011, as well as those that were deferred from the 2010 Budget. Mr. Murphy noted that they had previously discussed bonding Capital Project costs for 2010 for payment in 2011. Mr. Geraghty then stated that if the dismal budget situation

continued for 2011, it might be preferable to bond the \$850,000 listed for Capital Projects to be paid over a five-year term to lower the immediate cost to the County.

Mr. Geraghty announced that the Upper Payment Limit represented an increased cost of \$450,000 to the County for 2011. When asked to provide an explanation for the Upper Payment Limit, Mr. Murphy apprised that this was the amount received to subsidize operations at the Westmount Health Facility. He noted that the County received 100% of the funding and was required to repay 50% of the total to the State. Mr. Geraghty asked if this figure could change and Mr. Murphy replied affirmatively, noting that the amount listed represented an estimate of cost based on the figures included in the 2010 Budget. He further noted that because an agreement was signed only through September 30, 2011, they had reflected one quarter of the total cost listed in the 2010 Budget.

Mr. Stec noted that when they began the 2010 Budget process in March of 2009 they were faced with a 35% budget increase and he was pleased to see that they would be starting off looking to offset only a 2.5% increase. However, he noted, the percentage increase could change depending upon further reductions in State funding.

Mr. Girard asked when the final figures would be available for the 2009 Budget and Mr. Murphy replied they were waiting for further information from various Departments, as well as the State, and hoped to have the final figures available by the end of March. Mr. Girard questioned how any deficit for the 2009 Budget would be addressed, to which Mr. Murphy responded that once the final figures were available they would be discussed with the Budget Committee to determine any necessary actions which would be addressed in the 2011 Budget.

Mr. Pitkin apprised that during a prior Social Services Committee meeting, Sheila Weaver, Commissioner of the Department of Social Services (DSS), advised of State funding reductions in four different DSS programs and he asked why these reductions were not included in the agenda. Mrs. McKinstry replied that they had not been included because thus far no legislation had been passed to authorize them.

In response to Mr. Conover's questioning as to what the \$2 million listed as Unpaid Taxes pertained to, Mr. Murphy replied that the figure had been developed using an average of unpaid tax amounts for prior years. Mr. VanNess asked if this figure also took into account delayed payments related to the late release of the 2010 tax bills and Mr. Murphy replied that the Unpaid Taxes figure referred to unpaid taxes for prior years, but not for the current year. Mr. Goodspeed said he recalled prior indications that the unpaid tax figures were projected to increase, and even double, over the upcoming years and he asked Mr. Murphy to expound on this issue. Mr. Murphy stated that he believed this methodology was proposed by the State Comptroller's Office and he did not have any information to present regarding the matter.

Mr. Geraghty said he had requested a summary of realized revenues and expenses for 2009, but had not received them. He said that although he was aware that the 2009 Budget had not yet been closed, he questioned whether projections could be provided to indicate estimated figures. Mr. Murphy replied that it was very difficult to provide projected figures as they were awaiting figures from various Departments, as well as from the State of New York. Mr. Geraghty advised that figures of this nature would be required for the next Budget Committee meeting in order to proceed with the budget development process.

Discussion ensued.

Concluding the agenda review, Mr. Geraghty addressed Item 5 which included goals for the 2011 Budget, such

as a reduction in workforce; decrease of Departmental budgets; and reduction or elimination of programs. He stated that if a reduction in workforce was to be implemented, he suggested that it be done at the beginning of the year, rather than waiting until the end, in order to obtain the most savings in salary costs to the County. Mr. Geraghty then asked the Committee members to express any other suggestions they might have for budget reduction measures.

Mr. Stec questioned whether an estimate was available to represent the Fund Balance total and Frank O'Keefe, County Treasurer, replied that this information was not available and they were not willing to present an estimated figure because they had been criticized in the past for doing so.

Mr. Taylor reminded that Committee members that at a prior meeting they had decided to appoint an Ad-Hoc Committee to research the repercussions of closing the Countryside Adult Home facility and he asked if any action had been taken to further this measure. Mr. Pitkin responded that the determination had been made to wait until the new Director for the facility was appointed before developing an Ad-Hoc Committee that would review the costs and benefits in order to make an informed decision as to the fate of the facility. Referring to the recently completed Human Services Building (HSB), Mr. Taylor noted that the project had been completed for less than the amount budgeted and he questioned whether those remaining funds could be used to support the costs of demolishing the old Social Services Building. Mr. O'Keefe replied in the negative, advising that bond funds could not be diverted to fund other expenses and any remaining bond funds had to be used to support the debt service associated with the bond. Mr. Murphy added that if the costs to demolish the Social Services Building had been included in the original project budget, the leftover bond funds could have been used in this manner; however, he advised, the demolition costs had been removed from the original project to reduce total costs.

Mr. Kenny stated that it appeared there would be additional reductions in the workforce before the close of 2010 and he felt it was appropriate to perform a comprehensive review of the staffing of each Department in order to prioritize them and determine which reductions should be made. Mr. Stec agreed with Mr. Kenny's statement and said he also agreed that any further position eliminations should be done as quickly as possible to attain maximum savings for the County. He noted that although there had been many position eliminations in the 2010 Budget process, the actual number of layoffs had been relatively small. Mr. Stec recalled that Ms. Weaver had provided a listing of programs indicating which were mandated and he suggested that this list be updated and reviewed to determine if further cuts could be made within the DSS, as well as to ensure that only the minimum standards were being offered for mandated programs. Mr. Geraghty stated his opinion that the Committee needed to take more time to review the possible repercussions of position eliminations as they had made reductions hastily last year and were now learning of the issues associated with the eliminations and the need for those positions. He added that all of the Department Heads were now understanding of the budget issues faced and were working with the Budget Committee to reduce expenditures and increase revenues in an effort to alleviate the situation.

Mr. Goodspeed suggested that every Department be directed to develop a chart similar to the one presented by Ms. Weaver to identify the programs and positions within their Departments, as well as to detail which were mandated by the State of New York, any offsetting revenues associated with the position as opposed to expenses and the function of the position within the Department. He noted that these factors would assist the Committee in determining the importance of various positions to the County and would help to determine which should be eliminated. Mr. Kenny suggested exploring the possibility of shifting employees on a seasonal basis in an effort to attain savings on salary costs. He then cautioned the Committee with respect to

reintroducing expenses previously removed from the 2010 Budget, such as the Boat Patrol, which was a worthy service but was not being funded by surrounding Counties, such as Essex and Washington Counties, that incorporated significant amounts of shoreline on Lake George and Lake Champlain.

Discussion ensued.

Mr. Geraghty stated that the Budget Committee should begin meeting on a bi-weekly basis in order to keep all members up to date and ensure the continuance of the 2011 budget process.

As there was no further business to come before the Budget Committee, on motion made by Mr. Stec and seconded by Mr. Goodspeed, Mr. Geraghty adjourned the meeting at 11:17 a.m.

Respectfully submitted,
Amanda Allen, Sr. Legislative Office Specialist