

**WARREN COUNTY BOARD OF SUPERVISORS**

COMMITTEE: **JOINT- BUDGET & AD HOC SALES TAX**

DATE: **FEBRUARY 26, 2007**

**Budget Committee Members Present: Others Present:**

Supervisors	Caimano	Joan Parsons, Commissioner of
	Monroe	Administrative and Fiscal Services
	Belden	Joan Sady, Clerk of the Board
	O'Connor	Paul Dusek, County Attorney
	Kenny	Hal Payne, Administrator, Westmount Health Facility

**Ad Hoc Sales Tax Committee Member Present:**

Supervisor W. Thomas

Supervisor Geraghty  
Supervisor Merlino  
Supervisor Sokol  
Supervisor Stec  
Supervisor Tessier  
Wayne LaMothe, Assistant Director,  
Planning & Community Development  
Teri Ross, Deputy Director, Real Property  
Tax Services  
Cameron Tessier, City of Glens Falls  
JoAnn McKinstry, Confidential Secretary to  
the Commissioner of Administrative  
and Fiscal Services  
Maury Thompson, *The Post Star*  
Nicole Livingston, Deputy Clerk

**Committee Members Absent:**

Supervisors Gabriels  
Champagne

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Mr. Monroe called the meeting to order at 1:32 p.m.

Mr. Monroe requested a motion to approve the minutes of the previous Ad Hoc Sales Tax Committee meeting.

A motion was made by Mr. Caimano, seconded by Mr. Kenny and carried unanimously to approve the minutes of the previous Ad Hoc Sales Tax Committee meeting, subject to correction by the Clerk.

Mr. Caimano requested a motion to approve the minutes of the previous Budget Committee meeting.

A motion was made by Mr. O'Connor, seconded by Mr. Belden and carried unanimously to approve the minutes of the previous Budget Committee meeting, subject to correction by the Clerk.

Mr. Monroe explained that this was a joint meeting of the Budget Committee and the Ad Hoc Sales Tax Committee and noted that materials prepared by Joan Parsons,

Commissioner of Administrative and Fiscal Services, had been distributed to the Committee members, copies of which are on file with the minutes.

Mr. Monroe further explained that he had requested Wayne LaMothe, Assistant Director of Planning and Community Development, to research how much of the sales tax was estimated to be paid by tourists that were non-residents of Warren County. He added that another question was if additional amounts were raised by sales tax, would it be used to increase expenses or would it be used to stabilize or reduce the amount to be raised by property tax.

Mr. Monroe asked Mr. LaMothe to explain how much sales tax was paid by residents versus non-residents. Mr. LaMothe directed attention to a worksheet included in the packet that was distributed to the Committee members, which he referred to as '2005 T-Survey'. He noted that on the table under Composite Population, which were people that spent the night in a motel or campground, the total was \$3.6 million. Under the Day Trip Visitors, he said, the total was \$3.5 million. He stated that using information that was supplied from a report published by New York State, and provided by the Tourism Department, it was estimated that a day trip visitor to Warren County spent \$42 a day and an overnight visitor spent \$108 a day. He added that the total expenditures by tourist to the County totaled approximately \$500 million. He further stated that based on those expenditures, there would be corresponding sales tax generated, as well as room nights and bed tax generated.

Mr. LaMothe apprised those were the numbers he used to calculate economic benefit. He noted the report itself had a confidence level of plus or minus 5%, giving a 95% confidence level based on statistical analysis of the information.

Mr. Monroe clarified the report was showing that close to \$15 million was paid by non-residents for current sales tax in Warren County and that a 1% increase would generate approximately \$5 million from non-residents in Warren County. He noted that the total amount of sales tax generated was \$42 million and approximately \$14.7 million, or one third (1/3), was paid by non-residents, which was consistent with the amount raised by the bed tax which totaled \$2.7 million.

Mr. Monroe asked Paul Dusek, County Attorney, to explain whether there was a way to create a tax stabilization reserve fund. Mr. Dusek distributed a handout to the Committee members, a copy of which is on file with the minutes. He apprised there was legislation under the General Municipal Law which allowed for a tax stabilization reserve fund, which would be set up by resolution of the Board and would be subject to permissive referendum in order to get it started. He noted other key elements of the fund were that moneys could be paid into it for any amount from budgetary appropriations, unappropriated surplus or other revenues that were not required by law. He added that the balance of the fund could not exceed 10% of the annual budget, which was described as the general fund portion of the annual budget.

Mr. Dusek further explained, the only way funds could be expended out of a tax

stabilization reserve fund was by recommendation of the Chairman of the Board of Supervisors and at least two thirds (2/3) majority vote of the Board of Supervisors. He stated there were limitations as to what the funds could be used for, such as unexpected emergency expenditures, to replace unanticipated loss revenues or to offset projected tax increases; however, he said, if the tax increase was expected to be 2 ½% or less it could not be used and if it was 2 ½% or more it could be used to cover the excess of the 2 ½%. He added that in any year that the balance exceeded 10%, it had to be applied to reduce taxes.

Mr. Dusek expounded if the Board wanted to hook the tax stabilization reserve fund to the sales tax increase, it would have to be locked into this reserve fund and could only be used for the purposes that he previously outlined.

Mr. Dusek commented there were other reserve funds that could be utilized as well, such as a Snow and Ice Road Repair Reserve fund and a Debt Reserve fund, which allowed funds to be appropriated into the reserve to pay off a debt.

Mr. Monroe apprised that Mrs. Parsons did a study of comparative County tax rates, and he noted it was interesting to see what happened with property taxes prior to the County having a sales tax, and what happened with the tax rates once the sales tax was imposed. He asked Mrs. Parsons to review the comparison. Mrs. Parsons referred to the handout entitled 'Study of Comparative County Tax Rates', a copy of which is on file with the minutes. She noted that in the years 1969 through 1971 there was a significant drop in the tax rates, and when compared to the numbers for 2007, it could be determined that sales tax did work because the application of the sales tax did reduce the budget and kept it down.

Discussion ensued regarding the tax rates over the years that were listed on the handout.

Mr. Monroe concluded that the property tax burden was much too high, and had increased faster up-county than it had down-county. He further noted that the sales tax had benefitted Warren County taxpayers because a substantial proportion was paid by non-residents.

Commencing the Budget Committee portion of the meeting, Mr. Caimano expounded that if the County could not show the public that it was capable of harnessing expenses, they would not believe that raising the sales tax would assist in the reduction of property taxes. He further stated that one way to get a better handle on this would be to institute zero based budgeting, which meant that each department in the County would start over every year at zero, knowing what their income would be and preparing their budgets based on that. He referred to a handout in the packet that was distributed entitled 'Notes for Zero Based Budgeting', a copy of which is on file with the minutes.

Mr. Kenny said the County needed to prioritize non-mandated programs and services offered by the County, to decide where cuts could be made in order to reduce the budget. Mrs. Parsons responded that a report of that effect was in the process of being compiled.

Mr. Kenny suggested holding a public hearing in the evening in order to hear from the public to figure out if they wanted a larger property tax bill, a larger sales tax bill or would they like the County to reduce services that were offered. Mr. Caimano said after the Committee received the report of the mandated and non-mandated services that were offered by the County, the Committees could meet again and at that time determine a date for a public hearing to be held in the evening.

Privilege of the floor was extended to Cameron Tessier, of the City of Glens Falls. Ms. Tessier commented that as a citizen of the County, it would be helpful if a report of mandated and non-mandated services could be published in *The Post Star* for review prior to the public hearing, in order for the public to express an intelligent opinion of where cuts could be made.

Mr. W. Thomas reminded the Committee members to give Mrs. Parsons enough time to compile the information prior to setting a date for a public hearing.

Mr. Stec noted it was important to have the numbers showing what the impacts would be if sales tax was increased, as well as what the numbers would be if property taxes were increased.

Mr. Sokol suggested having a "Question and Answer" write-up in *The Post Star* with regard to these issues in order to better educate the public, as well as the Supervisors, as to what the impacts of any increases might be. The Committee members agreed.

There being no further business to come before the committee, on motion by Mr. Belden and seconded by Mr. Kenny, Mr. Monroe adjourned the meeting at 2:15 p.m.

Respectfully submitted,

Nicole Livingston  
Deputy Clerk