

WARREN COUNTY BOARD OF SUPERVISORS

COMMITTEE: COMMUNITY COLLEGE

DATE: FEBRUARY 1, 2007

Committee Members Present:

Supervisors Champagne  
Sheehan  
Gabriels

Committee Members Absent:

Supervisors Stec  
Tessier

Others Present:

Dr. Marshall Bishop, President, Adirondack  
Community College  
Paul Dusek, County Attorney  
Hal Payne, Administrator, Westmount Health  
Facility/Countryside Adult Home  
Joan Sady, Clerk, Board of Supervisors  
Supervisor F. Thomas  
JoAnn McKinstry, Confidential Secretary to  
Commissioner of Administrative & Fiscal  
Services  
Katy Goodman, Secretary to the Clerk

---

Mr. Champagne called the Community College Committee meeting to order at 10:30 a.m.

Motion was made by Mr. Gabriels, seconded by Mr. Sheehan and carried unanimously to approve the minutes of the previous meeting, subject to correction by the Clerk.

Mr. Champagne stated Paul Dusek, County Attorney, was present at the meeting and he would bring the Committee members up to date on the issues that needed to be resolved today relative to Adirondack Community College (ACC).

Privilege of the floor was extended to Mr. Dusek, and he stated the first item concerned a resolution that was previously adopted by the Board of Supervisors relative to the split between Warren and Washington Counties for Adirondack Community College's capital and operational costs. He stated the Committee members would recall that in 2006 Warren and Washington Counties reached a Settlement Agreement whereby Washington County was to pay Warren County \$235,000 (\$235,947 actual figure) which was the difference between \$361,000 (\$361,118 actual figure) and \$125,000 (\$125,170 actual figure) of the two costs. However, Mr. Dusek advised, since that time Kevin Hayes, Washington County Administrator, had contacted them and said the situation was not quite that simple because they had determined they had not accounted for the charge backs they were getting credit for. Mr. Dusek apprised Mr. Hayes had also stated that Washington County would like to repay Warren County the total \$125,000 now and have the County hold the funds until they knew whether the charge backs were sufficient, and if that was the case, then Warren County might not have to pay Washington County the \$125,000. However, he stated, if the charge backs were insufficient, Warren County might have to pay a portion of the money back.

Mr. Dusek stated he had prepared a draft of an amended resolution that would address this

proposal. He distributed copies of the draft resolution to the Committee members, and a copy of same is on file with the minutes.

Discussion ensued; and Mr. Dusek confirmed for Mr. Gabriels he would recommend that Washington County's proposal should be accepted. He reiterated the details of the proposal, and he remarked it was only a positive development for Warren County. Mr. Champagne noted according to the draft resolution the money involved the College's 2004 - 2005 fiscal year. Mr. Dusek explained the \$361,000 was the operational costs that had accrued to Warren County over four or five years which Warren County had realized were due to them. He noted if the Committee members would recall, Washington County came to the County and said they had analyzed the capital costs and Warren County owed them the \$125,000. Mr. Dusek stated the aforementioned Settlement Agreement was the result of that situation between the Counties. Mr. Champagne asked if Washington County paid the \$361,000; and Mr. Dusek replied that rather than swap checks they paid the \$235,000 which was the difference between the two figures.

Motion was made by Mr. Gabriels, seconded by Mr. Sheehan and carried unanimously to approve the aforementioned proposal as outlined in the draft resolution, and to authorize the necessary resolution for the next board meeting.

Mr. Dusek advised the second issue he had for the Committee today concerned the proposed Higher Education Center at ACC. He stated in 2006 the Board of Supervisors adopted a resolution that provided for a Project (the Center) at the cost of \$7 million with the understanding that \$5 million would come from a grant or State funding, and the remaining \$1.5 million would come from the ACC Foundation, therefore the remaining \$2 million would come from the Counties. However, Mr. Dusek said, he recalled that was with the understanding that the Foundation would try to raise the \$2 million.

Mr. Dusek advised there was a slight change to that plan and he had a draft resolution to amend Resolution No. 726 of 2006 for the Committee members' consideration. He distributed copies of the draft resolution to the Committee members and a copy of same is on file with the minutes.

Mr. Dusek proceeded with review of the four proposals outlined in the draft resolution with the Committee members. He stated Item No. 1 was that Washington County would provide a bond anticipation note (BAN) that would front all the money for the project because the ACC Foundation did not yet have the money. Item No. 2, Mr. Dusek noted, was that Warren and Washington Counties and the ACC Foundation would each pay one-third of any interest that became due and payable while the BAN was outstanding. He explained that was to give the Foundation enough time to try to raise the funds. Mr. Dusek stated Mr. Hayes had told him they wanted to go out for about 18 months on the BAN. However, he advised, interest would be due on the BAN during that time. Mr. Dusek stated proposed Item No. 3 was that the ACC Foundation would attempt to raise enough funds to pay the entire amount of the BAN by the time it became due and payable and that all those funds would be paid over to Washington County. Item No. 4, Mr. Dusek said, was that if after the Foundation's funds were credited there was any balance due to fully pay the

bonds, the balance would be apportioned between the two Counties according to their respective taxable valuations. He apprised at this time although the taxable valuations were not exact, they were in the range of 70/30 percent and that the sharing formula would remain at the level of the first year of the Project. Mr. Dusek reported he had been told by Mr. Hayes this morning that Washington County expected it would open the capital project and start spending money from it this year.

Mr. Gabriels asked if a 50/50 split was originally suggested. Mr. Champagne concurred that was the case pursuant to previous discussion. However, he said, since then they had met with Washington County's Committee and at the last meeting they had discussed trying to come to an agreement on a 60/40 split of the capital costs which would be the same as for the operational costs. Mr. Champagne stated in looking at that idea, they had put together some comparisons of the numbers for the Capital Improvement Plan and the Operations. He deferred that aspect of the matter to Hal Payne, Administrator, Westmount Health Facility/Countryside Adult Home.

Privilege of the floor was extended to Mr. Payne, and he noted copies of the numbers' comparisons had been distributed to the Committee members. Copies of the handouts are on file with the minutes. He advised that yesterday Joan Parsons, Commissioner of Administrative & Fiscal Services, and he had discussed the issue of the split at length. Mr. Payne advised that for the Capital Improvement Plan, Mrs. Parsons would recommend that the split should be 29.4 for Washington County and 70.5 plus for Warren County as well as some percentage points for each. He apprised for the Operations the recommendation would be a split of 44/56 percentages. Mr. Payne stated that with the 44/56 percentages versus the 70/30 or the 60/40 percentages, there would be a savings of about \$83,000 for Warren County.

Mr. Champagne reviewed the figures for the Operations and the Capital Improvement Plan, and he stated, the approximately \$80,000 would be realized if the 60/40 percentages were used for both the Operations and the Capital Improvement Plan. However, he advised, the forecast was that the 70/30 percentages would be needed if they were going to incur expenses to continue to improve the College by doing some capital projects. Mr. Champagne advised that based on the many meetings between the Counties concerning ACC, Washington County would not budge off that formula. In addition, he apprised, the 70/30 formula equated to the assessed value of the two Counties and it also complied with the regulations of the New York State Higher Education Department. Mr. Champagne explained according to the law there were certain formulas for operations and capital costs whether or not the projects were done at the State level or on ACC's campus. He commented that was his forecast of a settlement in order to move ahead on what needed to be done at ACC.

Continuing, Mr. Champagne noted that Washington County's argument for the 70/30 formula was that Warren County benefitted from having the College located in the County because most of the students and professors lived in the County and spent their money in the County instead of in Washington County. He acknowledged for the most part that was correct. Mr. Payne advised that Mrs. Parsons had checked on Washington County's enrollment figures at ACC and they were

increasing plus the County's assessment also seemed to be increasing. Thus, he stated that would skew the numbers for next year.

Mrs. Sady left the meeting at 10:44 a.m.

Discussion ensued, and Mr. Sheehan asked if the 60/40 percentage had been discussed from the start of the aforementioned meetings. Mr. Champagne responded they had tried to move Washington County off the 70/30 formula and it was suggested that the 60/40 formula be looked at. He noted the thought was that particular formula might cost Warren County one year and Washington County the next year. Mr. Champagne stated after both Counties did the numbers, Washington County said the 60/40 formula would favor them and they would welcome going in that direction. However, he apprised, the numbers for Warren County showed that would not be the case for the County. Therefore, Mr. Champagne advised, Warren County was saying if they went by the State Higher Education Department's formula that would work for both Counties. Relative to the issue of Washington County's enrollment increasing, he said that Warren County did not want to pick up the 4 - 5 % of the operational costs at the risk of the capital projects being considerably less than those costs.

Mr. Gabriels asked if the 70/30 split was based on the fair market value of properties. Mr. Dusek replied Mrs. Parsons had referred to it as the taxable value after the assessments had been equalized. Brief discussion followed.

Mrs. Sady returned to the meeting at 10:46 a.m.

Mr. Champagne advised he had spoken to William Thomas, Chairman, Board of Supervisors, and Supervisor Nicholas Caimano, Warren County Budget Officer, and they favored moving forward in this regard.

Dialogue ensued between Mr. Gabriels and Mr. Dusek on various aspects of the issue. Mr. Dusek confirmed that the State Law provided two different formulas for capital projects and operations and that those formulas could be used, or other formulas that the parties might be able to agree on could be used. Mr. Champagne remarked the Counties could not agree on any other formula. Mr. Dusek also confirmed that the formula was confined just to this Project.

Mr. Gabriels asked if they did not agree with the 70/30 split, could the issue be negotiated further and would that be detrimental to the Capitol Project being discussed now and not the Higher Education Center. Mr. Champagne expounded that a \$9 million project had been under discussion at the College. He apprised that State funds would cover 50% of the costs and as its 70% share, Warren County would be covering the other 50%. However, he said, he was not sure how long the State funds would be available due to the recent change in the State Government. Mr. Champagne noted he was not sure if the funds were available now. He deferred the question to Dr. Marshall Bishop, President of ACC, who was present at the meeting.

Privilege of the floor was extended to Dr. Bishop, and it was determined that Mr. Champagne was referring to funding for a deferred maintenance project at ACC. Dr. Bishop explained that specific funding had not been secured from the State so they did not have access to it. He advised the State budget was presented yesterday and it did not include any capital money for SUNY (State University New York) Colleges. As a result, Dr. Bishop stated, instead of the College starting a new deferred maintenance project it was suggested the project should be included in ACC's next five-year plan. He confirmed for Mr. Champagne at this point there were no funds for a preferred maintenance project.

Mr. Gabriels asked if there were no funds at this time why a decision needed to be made today on a project. Mr. Dusek clarified the resolution under discussion today dealt only with the Higher Education Center at ACC. Mr. Champagne noted if there were no funds for a project it seemed a resolution was not needed today to move anything forward. Mr. Gabriels suggested when funds might be available in the State budget they should come back to take a look at a project.

Discussion ensued on the split for the operational side of ACC's funding; and Mr. Champagne asked if the split was going to be the aforementioned 56/44. Mr. Dusek replied there had never been a problem about the split for the operational costs. The problem had always been about the capital costs, he said. Mr. Champagne stated the 60/40 split had been "toyed with" in their last discussion. He said he thought that Mrs. Parsons needed to follow up on that aspect of the issue and a decision did not need to be made today.

Mr. Dusek advised Washington County's resolution of support for the Higher Education Center included a clause wherein they agreed to pay no more than the agreed upon capital percentage of the Project and that the initial debt service would be split in thirds. He stated he had always understood at this point they were dealing with just the Higher Education Center. Mr. Dusek explained that was why the draft resolution was specific to that Project and why it said Warren County would apportion the funds 70/30 percent on this Project.

Motion was made by Mr. Gabriels, seconded by Mr. Sheehan and carried unanimously to approve the aforementioned proposal as outlined in the draft resolution, and to authorize the necessary resolution for the next board meeting.

Mr. Champagne stated the issue of the operational costs would be discussed at a meeting when Mrs. Parsons would be available.

Mrs. Sady left the meeting at 10:56 a.m.

Brief discussion ensued as Dr. Bishop provided details on the Higher Education Center in response to questions from Mr. Gabriels.

There being no further business to come before the Committee, on motion by Mr. Sheehan and seconded by Mr. Gabriels, Mr. Champagne adjourned the meeting at 11:00 a.m.

Respectfully submitted,

Katy Goodman, Secretary to the Clerk