

WARREN COUNTY BOARD OF SUPERVISORS

COMMITTEE: **BUDGET**

DATE: **AUGUST 14, 2012**

Committee Members Present:

Supervisors Geraghty
Taylor
Kenny
Merlino
Conover
Mason
Westcott
Girard

Others Present:

Daniel G. Stec, Chairman of the Board
Paul Dusek, County Administrator
JoAnn McKinstry, Assistant to the Administrator
Joan Sady, Clerk of the Board
Supervisor Dickinson
Supervisor Frasier
Supervisor Loeb
Supervisor McDevitt
Supervisor Sokol
Supervisor Strainer
Supervisor Thomas
Supervisor Vanselow
Supervisor Wood
Mike Swan, County Treasurer
Suzanne Wheeler, Commissioner, Department
of Social Services (DSS)
Julie Montero, Fiscal Manager, DSS
Jon Alexander, *The Post Star*
Nicole Livingston, Second Deputy Clerk

Committee Member Absent:

Supervisor Monroe

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

Motion was made by Mr. Taylor, seconded by Mr. Kenny and carried unanimously to approve the minutes of the August 2, 2012 Committee meeting, subject to correction by the Clerk of the Board.

Copies of the Budget Agenda were provided to the Committee members, and a copy of same is on file with the minutes. Mr. Geraghty announced the purpose of the meeting was to review the Department of Social Services (DSS) budget and he extended privilege of the floor to Suzanne Wheeler, Commissioner of DSS.

Ms. Wheeler informed that the DSS was at the mercy of the State and Federal government, their mandates and continuous changes in reimbursement practices. She stated that because the cost of employees that provided a service was a large part of their budget, they focused on the following:

- making sure position titles and job descriptions coincided with the actual duties each staff person performed;
- provided better training in regulations and procedures, computer skills, paperless communication and quality customer services;
- adequate supervision and cross training;
- succession planning; and
- documented Policies and Procedures and Internal Codes.

Ms. Wheeler added they would be proactive in providing services, by issuing referrals to:

- nurture independence and self sufficiency through our employment and training programs;
- encourage family members to care for their elderly and children to reduce foster care placements and county guardianships;
- encourage both parents of children in single head of households to participate in the raising of their children;
- participate in parenting programs, especially new parents at risk;
- encourage a healthy life with referrals to nutrition education and home budgeting; and
- mental health/alcohol and drug addiction services.

Ms. Wheeler noted that included in the Agenda packets were the case load statistics through May of this year for all of the basic services provided by DSS, except for the Child Support Unit. She said she also included information on eligibility requirements, Medicaid and the expansion programs in the packets.

Mr. Kenny questioned if the DSS offered any programs or services that were not mandated by the State or Federal government and Ms. Wheeler replied in the negative.

Chairman Stec entered the meeting at 10:37 a.m.

Mr. Merlino apprised he had recently done research and he reported that in 2000, there were 34 million Americans on Medicare and that figure increased to 54 million in 2011. He stated that 17 million people received food stamps in 2000 and in 2011, 45 million people received food stamps. Relative to Warren County, he said, the DSS budget in 2000 was \$21 million, and in 2012 it was \$32 million, an increase of 54%. He pointed out that the County's portion in 2000 was \$9,850,000 and in 2012 it was \$16,948,000, an increase of 72%. Mr. Mason expounded the 54% increase from 2000 to 2012 translated to an annual increase of 4.2%.

Mr. Merlino expressed his frustration with the mandated services provided by the DSS and abuse of the system by the recipients that he had witnessed on a regular basis. Mr. Conover noted his concern that if one area of government increased dramatically, it could translate over to the County's highway program, which was currently underfunded given the infrastructure requirements.

Mr. Geraghty referred to the set percentage increase for Medicaid, and Paul Dusek, County Administrator, explained there was a cap plus 3% and recently, the New York State Legislation passed a 2% increase, followed by a 1% increase and then a zero percent increase over the next three years.

Mr. Westcott informed that the Mandate Relief Council assembled by Governor Cuomo had yet to hold a meeting; however, he said, community forums had been held. He

recalled Warren County had no local representation in that group and had adopted a resolution requesting such representation be considered. He further opined that the County could only control their own actions and needed to find every possible efficiency and savings in the budget, and continue to lobby the State for relief on these mandates.

Discussion ensued pertaining to fraud investigations and the sanctioning of recipients upon discovery of requirement violations.

In response to an inquiry relative to whether or not the County could adopt a resolution requiring at least one year of residency prior to the issuance of benefits, Ms. Wheeler responded in the negative, and she added a resolution could not be adopted setting a time limit for a recipient to receive food stamps.

Mr. Geraghty asserted the biggest challenge today was determining if the County could reduce the amount expended for programs, and due to State and Federal guidelines, such reductions were not possible. Ms. Wheeler acknowledged the Committee members request for information regarding the maximum amounts the County was paying to a recipient and for which services, and advised she would email that information to each member. Mr. Loeb opined improved software systems were needed to make the DSS operations more efficient.

Mr. Geraghty thanked Ms. Wheeler for the informational packets that she distributed and noted the Committee would continue to review said information. He requested Mr. Dusek to address the next options for the Budget Committee to progress to the multi-year financial planning that had previously been presented.

Mr. Dusek apprised that over the past couple of years the County had engaged in a tactic of reducing the budget wherever possible and overall Warren County was now operating quite lean in terms of each department and its' staffing. He further stated that as a County, they could always continue to refine operations and look for ways to save money through either technological means, using available software or scrutinizing programs more carefully; however, he said, that would not address the projected \$1.1 million loss in the General Fund, the \$1.4 million loss in the County Road Fund, the \$749,000 loss in the Road Machinery Fund and the projected deficit in the Westmount Fund which would increase over the next few years. The next step in the process, he continued, would be to decide how to solve those deficits and what the overall direction to give the Budget Officer, the Budget Team and Department Heads would be as they prepared for this years' budget, as well as future budgets.

Mr. Dusek presented the following ideas to formulate a plan to address the budget:

- direct certain department heads to cut a specific percentage to achieve the reduced amount that was determined necessary, whether it be through the reduction of staff or programs; however, he said, because the County was

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- already lean, this could lead to the loss of services or a delay in services, which may or may not be acceptable to the citizens of the County;
- the Budget Committee could decide to no longer provide certain services;
 - address Westmount Health Facility at some point in the future;
 - remove the deficit associated with the backlog of computers and vehicles by purchasing them now and re-balancing the acquisition of those over the next coming years;
 - increasing the sales tax projections for next year;
 - sustain the 1.7% tax levy as was included in the multi-year financial plan; and
 - consider borrowing the funds for major highway improvements that had long-term benefits and a ten to twenty year life expectancy.

Mr. Dusek asserted any of these suggestions, or a combination of any of them, would assist in addressing the deficits the County was facing.

Mr. Girard opined the County should re-consider increasing the sales tax as part of the plan to reduce the deficit and to increase revenues. Mr. Taylor countered that the County should increase the sales tax projections but not the sales tax rate. Mr. Westcott suggested that a 'zero sum budgeting' plan be implemented for certain departments. Mr. Dusek advised that over the past few years, the Budget Team had done something similar to 'zero sum budgeting' with departments and had scrutinized every aspect of expenditures and whether the expenditures were needed. Mr. Westcott added that the co-gen facility and the County's energy program should be reviewed, as well. He stated another area that should be researched further was outsourcing as a means to potentially save money.

Mr. Sokol referenced the significant deficits predicted for Westmount Health Facility in the coming years, and he recalled that Countryside Adult Home also operated at a deficit of approximately \$500,000. He questioned if research had been done with regard to privatizing that facility. Mr. Dusek apprised an analysis had been done last year and he had issued a report outlining those results. The conclusion, he said, was that there was no way to cover that deficit, sale of the facility was highly unlikely due to the location and the cost of the operations far exceeded that of the private sector. Mr. Kenny agreed the review of Countryside Adult Home should be re-visited.

Mr. Conover requested an updated list of all departments and their Table of Organization and Mr. Dusek responded he would email that list to the Committee members.

Mr. Dusek expounded he would report back to the Budget Committee with a multi-year plan that incorporated the various items that were discussed today. He requested clarification as to the Committees desire to include the borrowing of funds for major highway projects that had a ten to twenty year life expectancy. Mr. Kenny expressed his concern with such action, noting that there would be major road projects every

year. Mr. Dusek stated he would generate two reports, one that reflected highway projects covered by cash and one that reflected the projects covered by borrowing the funds to show the impact of each on the budget for the Committees review.

Mr. Dusek further questioned the Committees opinion regarding the purchasing of computers and vehicles this year; thereby lowering budget projections for the future. Discussion ensued. The consensus of the Committee was for Mr. Dusek to continue analyzing the possible purchase of computers and vehicles this year.

There being no further business to come before the Committee, on motion made by Mr. Conover and seconded by Mr. Taylor, Mr. Geraghty adjourned the meeting at 12:25 p.m.

Respectfully submitted,

Nicole Livingston, Second Deputy Clerk