

## WARREN COUNTY BOARD OF SUPERVISORS

COMMITTEE: **BUDGET**

DATE: **OCTOBER 25, 2012**

**Committee Members Present:**

Supervisors Geraghty  
Taylor  
Kenny  
Merlino  
Conover  
Monroe  
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  
Supervisors Bentley  
Dickinson  
Frasier  
Loeb  
McDevitt  
Strainer  
Thomas  
Vanselow  
Wood  
Mike Swan, County Treasurer  
Dr. James Seeley, Executive Director, Cornell  
Cooperative Extension  
John Strough, Town of Queensbury Councilman  
Don Lehman, *The Post Star*  
Nicole Livingston, Second Deputy Clerk

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Mr. Geraghty called the meeting of the Budget Committee to order at 11:25 a.m.

Motion was made by Mr. Kenny, seconded by Mr. Girard and carried unanimously to approve the minutes of the previous Committee meeting, subject to correction by the Clerk of the Board.

Copies of the Budget Officer's 2013 Proposed Budget were provided to the Committee members, and a copy of same is on file with the minutes.

Mr. Geraghty began by thanking the Budget Team consisting of JoAnn McKinstry, Assistant to the Administrator; Rob Lynch, Deputy Treasurer; and Paul Dusek, County Administrator, as well as all of the Department Heads. He mentioned the goal had been to reach a 1.5% budget increase and although that objective was not achieved, they were very close to reaching that goal.

Mr. Geraghty commenced the review of the 2013 proposed budget, noting the total appropriations for 2013 were \$149,675,112 compared to the 2012 total of \$145,370,259. He advised the majority of the appropriation increase was due to an increase in sales tax from \$42.1 million to \$45.5 million, equating to a \$3,755,000 increase in appropriations, half of which was returned to the towns. He pointed out the appropriation totals excluded Westmount Health Facility and occupancy tax.

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Mr. Geraghty stated the total revenues for 2013 had increased to \$105,636,722 as compared to the 2012 total of \$102,349,009; an increase of approximately \$3 million. He listed the significant items driving higher appropriations as follows: sales tax distribution; health insurance; retirement; overtime salaries; contractual expenses; debt service; Federal Aid projects; and auto gas and oil. The significant items driving revenue projections, he said, were sales tax; mortgage tax; jail services; and parking fees. Mr. Geraghty reviewed the list included in the handout of how expenditures were being controlled. He noted the use of \$1,786,000 in surplus fund balance, which included General, County Road and excess bond proceeds and added that the amount was approximately \$500,000 less than what was used last year.

In response to an inquiry, Paul Dusek, County Administrator, apprised the General Fund surplus balance was estimated at \$12.5 million, which was a conservative projection for the end of the year. The County Road Fund, he continued, had a surplus of \$316,000 that was used this year, bringing that Fund to a zero balance. He stated that there was no surplus in the County Road Machinery Fund because that was used last year and the excess bond proceeds were originally going to be used for the new generator; however, Mr. Dusek said, as outlined in the Budget Officer's earlier projections, if the generator was not purchased the bond proceeds could be used to offset the bond payment. He informed the actual amount of money being used from the General Fund was approximately \$1.3 million; thereby leaving a surplus balance of \$11.2 million.

Mr. Geraghty remarked that the funding for Westmount Health Facility and the need to raise additional funds was addressed solely through the Westmount Fund Balance, although the account did provide \$650,000 of County funds to match the IGT (Intergovernmental Transfers) monies awarded to Westmount. He mentioned the Occupancy Tax Fund was self-sustaining and funded the Tourism Department and special events. He added the Occupancy Tax Fund had no effect on other County funds.

Mr. Geraghty apprised computers and cars for all Departments would now be funded through a common reserve fund in 2013 and funds would be transferred to Departments as needed for automobiles. He noted this new funding mechanism was further addressed in the Multi-Year Plan.

Mr. Geraghty outlined the projected net result of Department requests with the Budget Officer's modifications as follows: a 1.99% increase in the amount of the 2013 tax levy over 2012 or a \$779,050 increase in the amount to be raised by tax over 2012; a 17.2 cent increase in the projected County tax rate, or 3.606 for 2012 and 3.778 for 2013. He stated the projected net results would have a \$17.00 annual impact on a \$100,000 home and a \$34.00 annual impact on a \$200,000 home.

Mr. Geraghty reported that also included in the packets were the Budget Officer's recommendations and changes that were made in revenues and expenses, as well as

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a list of personnel requests for the 2013 budget. He cautioned that they had planned a budget savings for the Sheriff's Office by using occupancy tax funds to cover costs associated with Sheriff's Patrols for special events; however, he said, the use of occupancy tax funds had not been approved by the Occupancy Tax Coordination Committee and therefore, the anticipated costs were not reflected in the 1.99% increase. Mr. Geraghty pointed out that those two items would need to be accounted for in the 2013 budget and there would be an increase of over 2% in the amount of the 2013 tax levy.

Mr. Girard referred to the request from the Economic Development Corporation (EDC) for an additional \$90,000 and the Budget Officer's recommendation to approve an increase of \$45,000. He questioned what had changed with the EDC that justified the increase in the budget. Mr. Geraghty replied the EDC felt they needed additional funds to create jobs and to bring more projects to the County. Mr. Girard asked what jobs the EDC had created from last years budget and Mr. Taylor responded he would obtain that information from EDC to share with the Committee. Mr. Taylor expressed his opposition to reducing the funding to EDC, noting the importance of new jobs and programs for the area. Mr. Kenny stated he agreed with Mr. Girard and suggested the additional \$45,000 be removed from the budget. Mr. Westcott commented that if the County was going to make major investments in infrastructure for economic development, EDC was the tool that was necessary to accomplish such. Mr. Girard reiterated his concern with the amount budgeted for EDC.

Mr. Monroe questioned if there were other reductions or cuts in this proposed budget and Mr. Dusek remarked that he could provide additional insight into how the Budget Team started the budget process for the benefit of the Committee. He advised they began with high hopes that everything could be accomplished in the budget and had initially appropriated more money in the Road Machinery Fund, the County Road Fund and conservatively, the amount of money EDC felt was necessary to assist them through the year; therefore, he said, there had been a number of amounts throughout the budget that were set at higher projected levels. Mr. Dusek explained that once the numbers were put together, it was realized that there would be a problem meeting the tax cap. He added that the retirement costs came in higher than projected and health insurance costs were nearly double what was projected. He stated they then took what they felt was the ideal budget and began making cuts. Mr. Dusek expounded that it could be possible to reduce the budget further in order to lower the tax rate more. The primary objective, he recalled, was to reach the lowest tax rate increase as possible. Mr. Geraghty remarked that nearly all programs remained intact in the budget at the same levels as last year.

Mr. Dusek asserted that the County Road Fund was not being budgeted to the level that the Superintendent of Public Works had recommended was necessary to make improvements to roads. He reminded the Committee members that last year they did not budget the Federal Aid projects, such as bridges, roads and Airport projects,

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because it had been determined that the County would borrow the funds for such; however, he said, this year the Federal Aid projects were budgeted for in an amount of \$397,000. Another thing to consider in this budget, Mr. Dusek stated, was the calculation of five layoffs and a denied request for an increase in the Road Machinery Fund for an additional \$300,000.

Mr. Dusek directed the Committee members to the Tax Cap Analysis packet and he reviewed the information in detail, a copy of which is on file with the minutes. He mentioned that \$358,629 would be the amount remaining under the tax cap that could have been taxed up to but was not. The 1.99% tax increase, he said, translated into an amount to be raised by tax of \$879,050. Mr. Dusek remarked that with the multi-year planning, revenues were projected to increase from approximately \$135 million in 2013 to nearly \$141 million in 2016 based on the assumption that sales tax would increase by at least 2% each year. He proceeded to review the bar graphs for expenses and projected increases included in the Tax Cap Analysis packet. He noted that the expenses did not include making any improvements to road machinery or roads.

Chairman Stec exited the meeting at 12:15 p.m.

Mr. Dusek reiterated the General Fund balance was estimated at \$12.5 million and he reminded the Committee members that the Road Machinery and County Road Funds were being nearly depleted this year. He stated that the continued use of the General Fund would result in an estimated balance of \$7.7 million in 2016. He cautioned that expenses were increasing beyond revenue projections leading to future deficits and he discussed the multi-year plan for addressing the 2016 gap as listed in the packet. Mr. Dusek expounded that without significant additional revenues, expense cuts or State mandate relief, the Board of Supervisors would be forced to restructure County government and programs.

Mr. Monroe expressed his concern that the budget was not realistic in that there was no funding included for the eradication of invasive species and it could not continue to be funded with occupancy tax funds.

Mr. Westcott pointed out there was a 6% increase in the Airport budget, with a projected \$800,000 cost to the taxpayer for the Airport and he stated he could not vote in favor of a budget with such an inclusion.

Mr. Dusek opined that another item that made this budget work was the recommendation to appropriate \$408,000 out of the surplus this year to finance the replacement of computers and vehicles and to include \$250,000 each year in future budgets to maintain status quo on vehicles.

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Discussion ensued relative to concerns with the proposed 2013 budget and possible suggestions. Mr. Kenny asserted that a review of Countryside Adult Home should be considered again, noting the facility served 42 people out of the County's nearly 66,000 population. Mr. Conover recommended a lower stipend to the EDC as previously mentioned.

Motion was made by Mr. Taylor and seconded by Mr. Westcott to lower the stipend to the EDC to \$45,000. The motion failed due to the lack of majority vote, with Messrs. Kenny, Conover, Monroe, Mason and Girard voting in opposition.

Motion was made by Mr. Kenny and seconded by Mr. Girard to not increase the stipend to the EDC. The motion failed due to the lack of majority vote, with Messrs. Geraghty, Taylor, Merlino, Conover, Monroe, Mason and Westcott voting in opposition.

Motion was made by Mr. Monroe, seconded by Mr. Conover and carried by majority vote to decrease the stipend to the EDC to \$25,000, with Messrs. Kenny, Mason and Girard voting in opposition.

In response to an inquiry regarding the annual impact of a 1.5% increase in the amount of 2013 tax levy, Mrs. McKinstry reported on a \$100,000 home the taxes would be \$374.00, a difference of \$13.00 compared to the 1.99%; and on a \$200,000 home the taxes would be \$748, a difference of \$26.00.

Mr. Geraghty acknowledged the Committees' request to increase the sales tax projection from \$45.5 million to \$45.8 million for 2013.

Mr. Westcott made a motion to reduce the funding to the Airport in the amount of \$400,000; however, due to the lack of a second, the motion failed.

Motion was made by Mr. Girard, seconded by Mr. Mason and carried unanimously to approve the expenditure of \$408,000 for vehicle and computer purchases and to refer the same to the Finance Committee for consideration.

There being no further business to come before the Budget Committee, on motion made by Mr. Mason and seconded by Mr. Merlino, Mr. Geraghty adjourned the meeting at 1:12 p.m.

Respectfully submitted,

Nicole Livingston, Second Deputy Clerk