

WARREN COUNTY BOARD OF SUPERVISORS

COMMITTEE: FINANCE

DATE: AUGUST 6, 2014

COMMITTEE MEMBERS PRESENT:

SUPERVISORS CONOVER
TAYLOR
MONROE
WOOD
KENNY
MERLINO
FRASIER
DICKINSON

OTHERS PRESENT:

MIKE SWAN, TREASURER
KEVIN GERAGHTY, CHAIRMAN OF THE BOARD
PAUL DUSEK, COUNTY ADMINISTRATOR
JOAN SADY, CLERK OF THE BOARD
FRANK THOMAS, BUDGET OFFICER

SUPERVISORS BROCK
MCDEVITT
SEEBER
SIMPSON
STROUGH
WESTCOTT

COMMITTEE MEMBER ABSENT:

SUPERVISOR SOKOL

GRETCHEN STEFFAN, COUNTY HUMAN RESOURCES DIRECTOR
JEFFERY TENNYSON, SUPERINTENDENT OF PUBLIC WORKS
BUD YORK, SHERIFF
DON LEHMAN, *THE POST STAR*
AMANDA ALLEN, DEPUTY CLERK OF THE BOARD

Mr. Conover called the meeting of the Finance Committee to order at 9:46 a.m.

Motion was made by Ms. Wood seconded by Mr. Taylor 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 and a copy of same is on file with the meeting minutes.

Commencing the Agenda review with Section III, Action Items, Mr. Conover advised Item 1 consisted of a request for transfers of funds as attached for Committee approval.

Motion was made by Mr. Kenny, seconded by Ms. Wood and carried unanimously to approve the request and the necessary resolution was authorized for the August 15th Board Meeting.

Mr. Conover advised Item 2 pertained to a request from the Treasurer's Office to create and fill a temporary full-time Junior Accountant (*Annual Base Salary of \$50,000/\$24.04 per hour*) position effective August 18, 2014 to cover an upcoming vacancy during FMLA leave; he added that funding for the position was available within the Treasurer's existing budget. Mr. Conover pointed out that the Personnel Committee had provided their approval for the temporary position at their last meeting, which was held earlier that morning.

Mr. Kenny questioned how long the temporary position would be used; Mr. Swan replied it would be in place for about three months and noted there was a funding cap in place of about \$13,000 for this position.

Motion was made by Ms. Wood, seconded by Mr. Dickinson and carried unanimously to approve the request and the necessary resolution was authorized for the August 15th Board Meeting.

Agenda Item 3, Mr. Conover stated, included a request for a Contingent Fund transfer in the amount of \$9,179.88 to extend employment of Temporary HR/Civil Service Assistant Shauna Newman for an additional three months, commencing August 20, 2014. He pointed out that funding for the additional salary costs was not available within the existing budget.

Motion was made by Mr. Dickinson and seconded by Mr. Taylor to approve the request.

Mr. Conover questioned whether a transfer from the Contingent Fund was the appropriate funding source for this expense and Paul Dusek, County Administrator, replied affirmatively, noting that the Human Resources Department had not been funded sufficiently because they had not known what to expect. He said he had suspected there would be additional expenses when the Human Resources Department was created and he advised they were building the department from the ground up, which required a tremendous amount of work. Mr. Dusek advised the Department was trying to implement a New World system program that was never used in the past and would require an update in the fall which Gretchen Steffan, County Human Resources Director, and her staff would be responsible for working on. He commented there was a lot of work to be done to bring the County up to speed in terms of putting all documents in electronic format and establishing a number of human resources policies. Mr. Dusek stated that Ms. Steffan was doing a great job, but needed the help this temporary position provided. Mr. Taylor apprised that during the previous Personnel Committee meeting, Ms. Steffan had informed she intended to request that this position be transferred from temporary to permanent as part of the 2015 Budget process; therefore, he stated, it made sense to extend the position now.

Ms. Seeber relayed concerns she had heard from both members of the public and other County employees regarding how quickly the Human Resources Department was growing. She noted that this position was entitled "HR/Civil Service Assistant" and said she would like to learn more about which positions supported Human Resources functions and which supported Civil Service functions. Ms. Seeber said she hoped she would be able to meet with Ms. Steffan before the next Board Meeting to learn more about the functions of this position.

Mr. Conover asked if the intent was for this position to become permanent for 2015 and Mr. Dusek replied affirmatively. Mr. Conover clarified that the current request was only to extend the position for an additional three months, with the possibility of the position becoming full time to be addressed through the Budget process. Ms. Seeber pointed out that extending the position for an additional three months would still leave a lapse between the end of the temporary employment term and the beginning of the new year and she questioned whether a second extension would be requested. Mr. Conover responded that Ms. Steffan had the option of making the request, the question was whether the request would be approved. Mr. Dusek interjected that Ms. Seeber had raised a good question and he proposed that Ms. Steffan plan a presentation for the next Personnel Committee meeting to outline what each member of the Human Resources/Civil Service Department staff was doing in an organizational chart as it was very important for everyone to have an understanding of what it was that the department was trying to accomplish and to ensure the Committee was in agreement.

Mrs. Frasier recalled that when the Human Resources Department was established, an organizational chart had been presented reflecting the staffing would be comprised of a County Human Resources Director and a Personnel Officer who would be assisted by one support staff member; she noted that they had far exceeded this plan as she believed the office now had five or six staff members. Mr. Dusek clarified that the staffing consisted of the County Human Resources Director, the Personnel Officer, the Executive Assistant to the County Human Resources Director, a Personnel Technician, one part-time support staff and the temporary position currently being discussed. Mrs. Frasier stated that Ms. Seeber was correct in her statement that this Department had grown very quickly, regardless of the fact that the expense was not budgeted for.

Ms. Wood said she agreed with Mr. Dusek's suggestion that a presentation be made regarding the staffing status for the Human Resources Department and she requested that Patricia Nenner, Personnel Officer, be involved to speak on the Civil Service component. She said she was aware there were stringent requirements associated with the Civil Service aspect of the Department which were separate and apart from the Human Resources aspects. Ms. Wood said it appeared that there was a

sharing of staff taking place and she wondered whether this situation was working well or required adjustment. She concluded that while she believed Ms. Steffan's report would be exceptionally valuable, she would also like to hear from Mrs. Nenninger because hers was a separate and specialized part of the office.

Ms. Steffan advised that in preparation for the 2015 Budget she had established a capacity plan for her department which delineated the responsibilities of the positions she oversaw. She noted that the Agenda packet included a job description for the temporary position and she advised she would be more than happy to make a presentation regarding staffing at the next Personnel Committee meeting.

There being no further discussion, Mr. Conover called the question and the aforementioned motion to approve a Contingent Fund transfer in the amount of \$9,179.88 to extend employment of Temporary HR/Civil Service Assistant was carried by unanimous vote, thereby authorizing the necessary resolution for the August 15th Board Meeting.

Moving on to Item 3, Mr. Conover addressed a referral from the Human Services Committee, *Employment & Training Administration*, requesting to amend the County Budget in the amount of \$10,000 to reflect the receipt of Federal Trade Adjustment Act funding received in reimbursement for training costs incurred for one dislocated worker. Mr. Conover questioned whether this revenue was anticipated and Joan Sady, Clerk of the Board, replied in the negative. Ms. Wood explained that the County periodically received funding to provide training for dislocated workers. Mr. Dusek added that these funds would be applied to the Employment & Training Administration's budget.

Motion was made by Ms. Wood, seconded by Ms. Frasier and carried unanimously to approve the request and the necessary resolution was authorized for the August 15th Board Meeting.

Mr. Conover announced Agenda Items 5A and B consisted of referrals from the Mental Health Committee, as follows:

- 5A) Authorizing new contract with PEOPLE (*Projects to Empower and Organize the Psychiatrically Labeled*), Inc. in an amount not to exceed \$138,407 to provide peer services for the term commencing September 1, 2014 and terminating December 31, 2014.
- 5B) Request to amend the County Budget in the amount of \$138,407 to appropriate funding for the aforementioned contract with PEOPLE, Inc.

Motion was made by Mr. Dickinson, seconded by Ms. Wood and carried unanimously to approve Item 5A, as outlined above, and the necessary resolution was authorized for the August 15th Board Meeting.

Motion was made by Mr. Dickinson, seconded by Mrs. Frasier and carried unanimously to approve Item 5B, as outlined above, and the necessary resolution was authorize for the August 15th Board Meeting.

Rob York, Director of the Office of Community Services, advised the contract with PEOPLE, Inc. was completely State funded and would provide peer related services delivered by individuals who had experienced serious mental issues and recovered. He said this group operated on the belief that they could better connect with individuals experiencing these issues and reduce emergency room visits and other high cost hospitalizations for people suffering with mental illness. Mr. York advised through this contract, PEOPLE, Inc. would provide peer respite, support and advocacy, as well as a 24/7 hotline for individuals experiencing stress or crisis issues.

Bud York, Sheriff, stated that in the past he and Mr. York had discussed problems with mental health issues in the correctional facility system and he said he believed the State was starting to become aware of mental health issues and the fact that many people in correctional facilities did not belong there. He apprised the New York State Sheriff's Association planned to hold a conference in December to

discuss this problem, which was affecting jail facilities across the State, in hopes that they might be able to alleviate the problem and get help for people with mental health issues by placing them in the correct type of facility. Mr. York added that law enforcement typically incurred the transport costs associated with moving inmates from correctional facilities to mental health facilities for treatment. He stated that with these services, they hoped to provide support and create a center where people with mental health issues could go to for assistance to avoid hospitalization, and in some cases, incarceration.

Moving on, Mr. Conover advised Item 6 pertained to a referral from the Park Operations & Management Committee requesting an appropriation of funds in the amount of \$1,614.36 from Budget Code A.697.07, *Deferred Revenue - Gaslight Village Parking Fees*, to Budget Code A.1625 413, *Gaslight Village Property, Repair & Maint.-Bldg/Property*, to reimburse the Village of Lake George for mowing on the South Parcel of the Wood Park.

Motion was made by Mr. Dickinson, seconded by Mrs. Frasier and carried unanimously to approve the request and the necessary resolution was authorized for the August 15th Board Meeting.

Mr. Conover announced Agenda Item 7 included a referral from the Public Safety Committee, *Office of Emergency Services*, requesting to amend the County Budget in the amount of \$60,000 to reflect the receipt of FY14 State Homeland Security Program grant funding. He questioned whether this funding was anticipated and Mr. Dusek replied that it was, but they typically did not include the funding in the budget because the exact amount was not known in advance. In response to a second question posed by Mr. Conover, Mr. Dusek advised that if the money had not been received, any associated expenses would not have been incurred.

Motion was made by Mr. Merlino, seconded by Mr. Monroe and carried unanimously to approve the request and the necessary resolution was authorized for the August 15th Board Meeting.

Agenda Item 8A and 8B, Mr. Conover stated, included referrals from the Public Works Committee, *DPW*. He said Item 8A pertained to a request to increase Capital Project No. H333.9550 280, *Valley Road (CR 36) over Patterson Creek*, in the amount of \$75,000 to include funding for additional design services relating to the reconstruction of the Town of Thurman's Combs Road over Patterson Creek Bridge for use as a detour route during the Valley Road Bridge reconstruction work. He noted that the Town of Thurman had agreed to provide the additional Local Share funding required for this work.

Motion was made by Mr. Merlino, seconded by Mrs. Frasier and carried unanimously to approve the request and the necessary resolution was authorized for the August 15th Board Meeting.

Mr. Conover advised Item 8B included a request for a transfer of \$10,000 from the Contingent Fund to Budget Code A.1910 418, *Unallocated Insurance, Ins.-General Liability*, to provide payment of the County's insurance deductible in association with the settlement of proceedings in the case of Morgan and Franklin v. Warren County

Motion was made by Mr. Taylor, seconded by Mr. Dickinson and carried unanimously to approve the request and the necessary resolution was authorized for the August 15th Board Meeting.

Mr. Conover advised Item 9 consisted of a referral from the Social Services Committee, *Department of Social Services*, requesting a transfer of funds in the amount of \$169,633 from the Contingent Fund to cover the remaining IGT (*Intergovernmental Transfer*) payments to Westmount Health Facility which were greater than anticipated.

Mr. Dusek explained that when the annual budget was established, it included a projection of anticipated IGT funding, which the County was responsible for 50% of. For example, he added, if \$1.5

million in IGT funds were expected, the County share budgeted would be \$750,000. He continued that the IGT funding received had been much higher than anticipated and the problem with this was that the County share was also higher than anticipated. Mr. Dusek commented that it was very difficult to turn down the extra funding, given the operating deficits faced by the Westmount Health Facility, and he noted that the only viable source of funding for this additional expense would be the Unassigned Fund Balance, which, unfortunately, would affect the General Fund Balance.

Motion was made by Mr. Monroe, seconded by Ms. Wood and carried unanimously to authorize an appropriation in the amount of \$169,633 from the General Fund Unappropriated Surplus to cover the remaining IGT (*Intergovernmental Transfer*) payments to Westmount Health Facility and the necessary resolution was authorized for the August 15th Board Meeting.

Continuing to Agenda Item 10, Mr. Conover advised that Finance Committee action was required on the following items as approved by the Personnel Committee at their meeting held earlier that morning: Item Nos. 2, 3, 4 & 5.

Motion was made by Ms. Wood, seconded by Mr. Kenny and carried unanimously to approve the request and the necessary resolutions were authorized for the August 15th Board Meeting.

Concluding the Agenda review, privilege of the floor was extended to Supervisor Merlino to begin discussion regarding his proposal for changes in the process used to determine the distribution of sales tax revenues amongst the municipalities of Warren County.

Mr. Merlino reminded the Committee members that he had made a brief presentation at the July 18th Board Meeting regarding his suggestion for changes to the distribution of sales tax revenues and he said he hoped that all of the Board Members had a chance to review and consider it. He noted that he had received an email from the Town of Queensbury Supervisors roundly opposing the suggestion, which he said he understood, but pointed out that although the Town of Queensbury collected a lot of sales tax, there was not a town in Warren County that did not spend money in Queensbury because that was where most of the big box stores were located. Mr. Merlino stated that the changes in distributions would help the municipalities that were not able to patronize these types of businesses in their own towns. He commented that his proposal was meant to be a starting point for discussions on changes to the distribution process and he had received positive comments from other supervisors noting the various distribution scenarios used around the State, such as distribution formulas based on 50% population and 50% revenue. Mr. Merlino stated that about a year ago he had proposed an alternate suggestion to take \$500,000 from the total sales tax revenues collected and split it evenly amongst the five towns receiving the smallest distribution amounts to bring the total received over the \$1 million mark and to reduce the impact to the other towns that would lose funding. He said he was aware that the current scenario represented a considerable loss to the Towns of Bolton and Queensbury; however, he noted, the Town of Bolton had a \$.51 town tax and the Town of Queensbury had a \$.61 town tax in Queensbury, while the Town of Lake Luzerne had a town tax of \$3.80. Mr. Merlino stated he felt it was time that the sales tax distribution issue be reviewed and changes made to make it better. He noted that Mr. Monroe had previously questioned the legality of changes to the distribution process and Mr. Merlino said he felt it was better to determine what the best scenario for change was and then discover if it was legal.

Mr. Conover commented that this matter had been referred to the County Attorney to determine whether changes to the sales tax distribution were legally viable, but because the County Attorney was not present, he was unable to speak on the matter. Mr. Conover advised there were others wishing to comment on the sales tax distribution proposal presented by Mr. Merlino and he extended privilege of the floor to Supervisor Strough, Town of Queensbury, to begin these discussions.

Mr. Strough began by stating that the Town of Queensbury would lose almost \$2 million in sales tax

revenue through Mr. Merlino's proposal and that was why they were opposed to it. He pointed out that the Town of Queensbury represented about 45% of Warren County's population and he said Warren County was fortunate to have the Town of Queensbury within its realm. Mr. Strough said the Town of Queensbury was a very pro-business environment, which offered lower taxes and other economic strategies to help make it the County's largest source of tax revenue. He stated that further reducing, or not returning, the Town of Queensbury's share of sales tax revenues would result in higher taxes and a less friendly business environment, likely leading to reduced sales tax benefits for the other municipalities. Referring to the \$48,836,237 in sales tax revenues received by Warren County in 2013, Mr. Strough advised he had contacted the County Treasurer to determine what portion of these revenues were collected by the Town of Queensbury, but this figure was not available; by his own approximation based on the levels of business conducted there, Mr. Strough stated he would estimate that the Town of Queensbury collected about 70% of the total. If this were the case, he said, the Town of Queensbury was producing about \$34 million for the County already, but only received about \$8.6 million in sales tax revenue distribution, leaving the other \$26 million to be distributed to the other municipalities; he added that by this assessment, the Town of Queensbury was already contributing its fair share. Mr. Strough added that the Town of Queensbury remained limited in realizing its commercial and industrial potential because they did not have use of all the money the town produced; therefore, he stated, Mr. Merlino's proposal would not present a long term benefit to Warren County residents.

Continuing, Mr. Strough pointed out that the Town of Queensbury was charged with providing 34% of the tax burden in Warren County, representing about \$14 million in property taxes, and they were only one of the twelve municipalities located in the County. He noted that Mr. Merlino's proposal would not offer Town of Queensbury residents any relief from their County tax burden. Mr. Strough further noted that the Town of Queensbury bore the burden of being the community that contributed the lions share of the sales tax revenues that both the County and the other municipalities benefitted from. He advised that these revenues did not come free and it was the Town of Queensbury residents who had to deal with the related quality of life issues such as visual, noise and air pollution, traffic congestion and many more. Mr. Strough apprised that Town of Queensbury residents also carried \$250 million worth of non-taxable properties including the Warren County Municipal Center and the Warren County Airport. Additionally, he said Town of Queensbury residents bore the additional costs related to producing the sales tax revenues which benefitted the County and other municipalities, for budgetary items such as highway maintenance, emergency services, lighting, waste water, solid waste, etc. Mr. Strough stated that he was not complaining about these factors, but felt that to reduce the benefits received by the Town of Queensbury was wrong. He noted that the same could be said about the occupancy tax revenues attributed to the Town of Queensbury, which represented about 24% of the total collected by Warren County, with only \$150,000 return. Mr. Strough concluded that there were a number of different proposals available to alter the means for distributing sales tax revenues, many of which were just as ridiculous as Mr. Merlino's proposal, with all due respect to Mr. Merlino. He added that the Town of Queensbury was not asking for more revenues, although they could make a valid case for this argument, and since the current system was working, he proposed that they retain it.

Mr. Dickinson stated that he agreed with Mr. Strough's statements and said the points he had made were all well taken. He said he also sympathized with the statements made about the collection of occupancy tax revenues as the Town/Village of Lake George produced twice as much occupancy tax revenue as the Town of Queensbury. Mr. Dickinson commented that he found it worrisome when a proposal was presented that would address problems by reducing revenues to other towns. Mr. Dickinson stated his opinion that the subject matter of the proposal was both distressful and detracting from the issues at hand, with regards to tax caps and unfunded mandates, especially when the proposal would effect a major funding source, regardless of whether it pertained to sales tax or occupancy tax revenues. He noted that both himself, and the other Supervisors, based their town budgets on a history of tax distributions and he said he could not fathom how they could expect the Town of Queensbury to absorb a \$2 million funding reduction and rebound from it. Mr. Dickinson commented that there

must be a way to resolve the financial problems of the smaller towns, but he did not believe this was the way to do it.

Ms. Wood stated she was appalled and disappointed by the discussion taking place at this meeting. She added that, given the tone of the conversation, she did not believe anyone who had spoken had actually taken the opportunity to review and consider the proposal presented. Additionally, Ms. Wood stated that she did not think having someone attempt to think outside the box and bring a proposal forward for consideration should be called stupid or ridiculous. She added that she felt this initiative should be commended and they should be thankful that some supervisors were actually entertaining the issues facing the smaller towns of Warren County to try and find new ways to solve them. Ms. Wood said it was clearly unlikely that Mr. Merlino's proposal would be approved or implemented, but that did not provide an excuse to belittle one of their own Board members for taking the initiative to at least consider how this problem could be solved. Furthermore, Ms. Wood pointed out that the Town of Queensbury collected the sales tax, the town and its residents did not generate all of it, nor did it magically appear there; she added that many people from other towns came there and spent money. She said she was not disputing that Queensbury was a large town that had many needs, but if anyone had run the population figures they would find that based on this distribution scenario the Town of Queensbury would receive more funding, rather than lose it, and she said she found it hard to believe that the Town of Queensbury would turn those funds down. Ms. Wood stated that she was not in favor of switching to a population based distribution system because municipalities like the Town of Hague, whose valuation was high but the population was low, would be severely affected by it. She reiterated that she was very disappointed to hear her colleagues discredit a proposal they had not actually taken the time to consider and belittle another Supervisor for suggesting it; she added that this was no way to build consensus on the Board of Supervisors and she said they really needed to come together and try to start supporting one another.

Mr. Dickinson commented that he had taken the time to review Mr. Merlino's proposal and did not believe it was worth the time spent; he added that while he was willing to listen to any proposal presented, he agreed that this one was ridiculous. Mr. Dickinson pointed out that other supervisors had been looking into this issue, as well, and he noted that Mr. Conover was working on other scenarios to assist with the problem.

Mr. Kenny opined the important lesson to be learned was that Mr. Merlino had devoted a lot of time to this effort and it was apparent that some consideration should be given to the manner by which the sales tax revenues distributions were made in order to reach a system that was more fair to the towns. He stated that he did not foresee Mr. Merlino's proposal being approved, but noted that something similar would be preferable. Finally, he stated that he did not find Mr. Merlino's proposal to be ridiculous either.

Mr. Monroe stated that he did feel Mr. Merlino's approach was not ridiculous, but noted that they should determine which options were legally viable and consider the procedures being used by other communities before determining the best scenario for Warren County.

Chairman Geraghty commented that he had asked the Treasurer's Office to review of the distributions to the Town of Warrensburg, which was second largest town by population in Warren County. He said he had been watching NYSAC (*New York State Association of Counties*) correspondence about this issue and advising Mr. Merlino when these problems were advertised as Warren County was not the only municipality encountering these issues. He said although he was not agreeable to a formula that picked arbitrary numbers for distribution, it was disingenuous to say that Mr. Merlino's proposal was ridiculous. Chairman Geraghty pointed out that not every municipality used assessed values to base their distributions and he said he believed the County could bring any distribution proposal to the State Legislature for their approval and determination as to whether it would be forwarded to the Governor's Office. He said he felt the Town of Warrensburg suffered the worst under the current revenue

distribution system because the town did generate revenue, but did not receive a justifiable return. Chairman Geraghty stated that he did not agree with Mr. Merlino's proposal because he didn't believe it was fair to arbitrarily remove revenues from other towns, and he said he had expressed this opinion to Mr. Merlino from the start; however, he added, he applauded Mr. Merlino for his efforts. That being said, Chairman Geraghty stated that if the distribution system was changed to use 50% population and 50% valuation, he would be thrilled because the Town of Warrensburg would gain. Finally, Chairman Geraghty commented that he agreed with Ms. Wood that the supervisors needed to stop this decorum of cutting each other down in these types of discussions.

Mr. Taylor stated that if he was a Town of Lake Luzerne resident he would certainly vote for Mr. Merlino because he was always working for his town, and although there was nothing wrong with that, he was not in favor of the proposal made. He agreed that the supervisors were starting to tear each other apart and he noted that there were supervisors elected to each individual town and although it was good to work hard for your town, when discussing matters at this level they should be working together for Warren County. Mr. Taylor stated that he had spent time reviewing numbers and found that the loser in this whole arrangement was the City of Glens Falls. He apprised through his review he had discovered that during the period of 2002-2013, the Town of Lake Luzerne had benefitted from an increase in sales tax distributions of about 42%, which was good, and he noted that many of the other towns followed the same trend; however, he stated, the City of Glens Falls had only seen an increase of about 4%, which was almost flat. Mr. Taylor opined the only fair way to distribute sales tax was based on what they generated, but he said it appeared this was not possible as he had been told that this information was not available.

Mr. Monroe stated he did not think this was such a simple issue to solve because if the distribution was based on full valuation, the flip side was that if the valuation increased the property tax increased, as well, which was a huge burden for the community. He said he believed they needed to consider many factors in this process, including all of the sources of revenue and the expenses the community faced. Mr. Conover said he agreed with this point.

Ms. Seeber began her comments by stating that she was not supportive of the proposal because of the considerable reduction the Town of Queensbury would experience. She noted that as a new member of the Board of the Supervisors she had been excited to join what she considered to be a team and learn about all of the issues faced. Ms. Seeber said she was grateful for Mr. Merlino's thinking outside of the box and bringing this proposal forward because it had been an eye-opening experience and that had lead her to learn some incredibly valuable information. That being said, Ms. Seeber indicated she agreed with Mr. Taylor that at this level they were working as a team in representation of Warren County. She said she respected Mr. Merlino's passion in presenting this proposal and said she was taking the opportunity to ask questions and learn about how these types of formulas were derived and she thanked everyone for answering those questions. Ms. Seeber concluded that she looked forward to working together respectfully in determining other solutions for these problems.

Mr. Dickinson suggested it might be time to develop another committee to review different proposals and scenarios to assess them and see which would work for Warren County before bringing them forth to the full Board for consideration.

Mr. Conover commented that this was not a new topic and he stated that the Finance Committee was the appropriate venue for these discussions. He advised the Town of Bolton was not in favor of this proposal either, based upon its principal. He counseled that when general revenue came to the County, it did not matter whether it was from sales tax or dog permit fees, every town benefitted based on their assessed value. Mr. Conover provided a scenario using an arbitrary figure of \$130 million as the County Budget, stating that if \$90 million in revenue was received, it would leave \$40 million to be raised by taxes which was charged to each town on an assessed value basis. He stated that in the case of the sales tax revenue distributions, if they decided to share the revenues in a manner other than on

an assessed valuation basis, they would be effectively increasing the tax liability of those that the proportionate funding was taken from. Mr. Conover stated that in relation to Mr. Merlino's proposal, they would be effectively increasing the tax liability to the Town of Queensbury; he added that this was a factual statement and not an opinion, and therefore discussing revenue without discussing liability was disingenuous. The difference with sales tax, Mr. Conover pointed out, was that the County allowed each town to take their proportionate share of sales tax revenues, which changed year to year based on the percentage of assessed valuation of the County, into their town budget if they chose to. He explained that when this step was taken, the County levy remained the same.

Mr. Conover pointed out that when you considered the taxes paid by the lakeside communities of Bolton, Queensbury, Lake George, Hague, Chester and Horicon, they represented about 77% of the total contributed. Mr. Conover opined it was very important to stay with the facts on this matter. He advised that sales tax distributions had increased to certain communities commensurate with increased assessment valuations, but he noted that their property tax liabilities had increased, as well. Mr. Conover stated that the issue of fairness had been introduced as well, and he submitted that a fair scenario would vary depending upon the community. He continued that when considering a population based scenario they needed to consider that the figures varied based on the season in many parts of the County. Mr. Conover commented that while there were many different possibilities for the distribution of revenues, they needed to keep in mind that if they were redirected, some towns would gain, but others would suffer significant reductions. Mr. Conover said he empathized with the small towns and had tried to establish a couple of proposals to institute fairer systems in other areas, such as with the County's snow and ice contracts where some towns were absorbing a considerable cost in providing maintenance services on County roads. He commented that it was likely these towns would gain more benefit from a proper adjustment in the amount paid for the snow and ice contracts than they would through an adjustment in sales tax revenue distributions and he advised discussion would continue on this matter.

Mr. Merlino stated he had considered a population based distribution scenario and found six counties would increase and six would decrease and he cited prospective increases of \$2.3 million for the Town of Queensbury, \$3 million for the City of Glens Falls, and \$1.1 million for the Town of Warrensburg. He advised that no matter what formula they decided to try to use, one town would have to lose funding in order for another town to gain. Mr. Merlino stated the system was very staunch and provided for no give and take; he added that they could have rich parts of the County and poor counterparts, but eventually it would hurt the County as a whole.

There being no further business to come before the Finance Committee, on motion made by Mrs. Frasier and seconded by Mr. Kenny, Mr. Conover adjourned the meeting at 10:45 a.m.

Respectfully submitted,
Amanda Allen, Deputy Clerk of the Board