

WARREN COUNTY BOARD OF SUPERVISORS

COMMITTEE: BUDGET

DATE: MAY 3, 2018

COMMITTEE MEMBERS PRESENT:

SUPERVISORS THOMAS
STROUGH
WILD
SOKOL
BEATY
DICKINSON
GERAGHTY
MCDEVITT

OTHERS PRESENT:

RONALD F. CONOVER, CHAIRMAN OF THE BOARD
RYAN MOORE, COUNTY ADMINISTRATOR
MARY ELIZABETH KISSANE, ACTING COUNTY ATTORNEY
AMANDA ALLEN, CLERK OF THE BOARD
SUPERVISORS BRAYMER
LEGGETT
SIMPSON
JOANN MCKINSTRY, ASSISTANT TO THE COUNTY ADMINISTRATOR
MICHAEL SWAN, COUNTY TREASURER
LESLIE LOVELACE, SECRETARY TO THE CLERK OF THE BOARD

COMMITTEE MEMBERS ABSENT:

SUPERVISORS MERLINO
FRASIER
DIAMOND

Please note the following contains a summarization of the May 3, 2018 meeting of the Budget Committee; the meeting in it's entirety can be viewed on the Warren County website using the following link: <http://www.warrencountyny.gov/gov//comm/Archive/2017/budget/>

Mr. Thomas called the meeting of the Budget Committee to order at 11:18 a.m.

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

A copy of the agenda was distributed to the Committee members and *a copy of same is on file with the minutes.*

Commencing the agenda review, Mr. Thomas advised the Discussion Item on the agenda pertained to a review of the 2017 Financials from the County Treasurer's report. He noted the balance of the Unappropriated Surplus Fund Balance for 2017 was \$19,470,000 which was a million and a half dollars more than the previous year. He explained that figure was comprised of \$500,000 received from Siemens, with the remaining a result of sales tax collections. He apprised the County's current policy called for \$10 million to \$16 million in unappropriated surplus to be budgeted, advising \$1.6 - \$1.7 million of the fund was used to balance the budget work this year. He indicated the break down as following: \$1.3 million designated to the Unappropriated Surplus Fund; and \$425,000 designated to Debt Services plus an additional \$203,000. Mr. McDevitt noted the 2% increase in sales tax to the County seemed consistent and predictable as a result of the retail base which appeared to be reliable revenue. Mr. Beaty opined should there be any issues with Lake George itself, it would greatly impact tourism and have a negative effect on the County. Mr. McDevitt remarked that was an excellent observation, as the health of the Lake was imperative to Warren County's tourist economy. He inquired what the status was on the health of the Lake and Mr. Dickinson responded construction was expected to begin in 2020 for the Lake George Water Treatment Facility. A brief discussion ensued.

Mr. Beaty commented if the Lake George Water Treatment Project had a short fall in funding, he would be supportive of using a portion of the Occupancy Tax revenue to help fund the Water Treatment Plant, assuming occupancy tax revenues increased as a result of collections from Airbnb, as long as it was within the legal guidelines to do so.

Chairman Conover inquired what the positive change was excluding the one-time revenue of the Siemens

payment and Mike Swan, *County Treasurer*, replied \$700,000 - \$800,000. Chairman Conover commented the point Mr. Thomas was making was the County used \$1.8 million of the fund to close the gap. He said the reason the fund looked good for 2017 was because of the Siemens payment, but more was being used than what was being put in. Mr. Swan noted the reason for the increase in the fund in the last five years was related to one time payments which allowed them to grow the fund, but he explained they could not keep relying on those. Mr. Swan mentioned in 2005 the County had almost \$25 million in surplus, however, he noted, in 2009 it was down to as little as \$3 million. He explained he wanted to share that piece of history so the Committee was aware that in as little as a few years it was possible to lose \$20 million in surplus and he asked that they keep that in mind so history did not repeat itself. A brief discussion ensued.

Mr. Dickinson apprised he appreciated Mr. Beaty's concern and suggestion to use Occupancy Tax Funding to help fund the Lake George Water Treatment project; however, he noted, as the Chairman of the Occupancy Tax Committee, he was aware of the substantial financial commitments for this money and there was not a lot of money to spread around. He mentioned the obligation to the Civic Center was for another two or three years, apprising he hoped by that time the Civic Center would stabilize financially so the County contribution could decrease. He added whenever an employee was hired in the Tourism Department, it placed a financial burden on the Occupancy Tax fund. Mr. Leggett suggested monitoring the finances on a month to month basis and keep in mind how a decision today could affect the County five years from now. Ms. Braymer mentioned the Board needed to be mindful of any projects that were not mandated, such as the Airport RFP (*Request for Proposal*). Chairman Conover remarked Ms. Braymer made a good point, informing of his interest in what information Jaeger & Flynn Associates, Inc., could present on health care cost savings and whether or not self insurance would remain within the two to three percent range of inflated health care costs. Ryan Moore, *County Administrator*, reported he recently had a conversation with Jaeger & Flynn Associates, Inc., regarding future projections on health insurance, during which they indicated it was too premature after just four months to have collected enough claim data to project what direction the County was headed in 2018, let alone years ahead. He proceeded, indicating the projection one year ahead of where the market as a whole was headed was between a 5.5% and 7.5% increase. Mr. Moore indicated the County's members could possibly do better, informing that Jaeger & Flynn Associates, Inc., had proactive ideas to pursue in terms of wellness programs for members in an effort to help keep costs low, but they required more claim data than what was currently available. Mr. Sokol reminded the Committee closing the Countryside Adult Home had been a topic in past years and was currently costing the County \$600,00 - \$650,000 a year and that could be considered again should the budget need to be reduced. Ms. Braymer voiced she thought Edward Corcoran, *Director, Countryside Adult Home*, was doing a good job marketing despite struggling to raise the census and she was in favor of extending more time to allow him the opportunity to build residency.

Chairman Conover inquired if there were indications of the State growth rate and Mr. Thomas responded he believed it was 2% as the figure included in the Hadley-Luzerne School budget cap was 1.97% and therefore he assumed it would be the same. Chairman Conover remarked that could be a concern as well.

Mr. Geraghty noted interest rates on credit cards and at banks were rising and he suspected the County would see an increased interest rate on the current bonds. Mr Swan objected, reporting both bonds were locked into rates and would not be rising. He stated now would be a good time to purchase CD's, as fees were lower and interest was higher. Chairman Conover suggested it might be beneficial for the County to have an analysis done to obtain an allocation rate for maximizing direct allocation of grants and Mr. Swan concurred.

Pertaining to the referral from the Health, Human & Social Services Committee asking for the County to assume all costs related to the Office for the Aging's Meal Sites, Mr. Thomas apprised Mr. Loeb had

not captured all of the expenses related to the Meal Site program and that information was needed before consideration could be given to move forward with absorbing the program costs. Mr. Leggett mentioned he had researched past records and found the Town of Chester was sharing costs with the Town of Horicon for extra staff advising he did not see how the County could pick up any of those additional costs. Mr. Thomas noted a lot of money was expended on the Warren County Senior Nutrition Program, noting the County funded \$638,000 with Federal and State grant monies being \$300,00 or \$400,000. Mr. Moore apprised the match amount Warren County paid was already much larger than most counties in the State, adding \$1,250,761 was the gross amount with the County portion being \$638,000, or a 62% match. Mr. Strough apprised the direct assistance from Towns was hard to measure, informing the Town of Queensbury expended \$160,000 directly to facilities for Seniors in the region. Ms. Braymer pointed out that none of the town supervisors were requesting assistance for their meal site costs and she was unclear why the County would voluntarily take on these additional expenses. It was the consensus of the Committee not to act on the referral from the Health, Human & Social Services Committee.

Chairman Conover mentioned each January resolutions were introduced at the annual Organization Meeting which approved contracts and expenditures outlined in the adopted budget. He said although this was the Board's traditional practice, this year there were many questions from new Supervisors not comfortable approving resolutions they did not have enough information on and this had prompted him to institute a new practice where all of the budget-related resolutions would be approved at the same meeting as the annual budget. He advised that going forward, the Budget Committee would act upon these matters and forward the appropriate resolutions on to the Board for approval in November for the following year. Chairman Conover commented that by implementing this process he hoped to eliminate any lingering resolutions in January and February, while making for a smoother process; he suggested the same be done for occupancy tax funding awards. Mr. Thomas concurred, informing he would like to introduce these resolutions early in October.

Mr. Beaty exited the meeting at 11:54 a.m

There being no further business to come before the Budget Committee, on motion made by Mr. Geraghty and seconded by Mr. Dickinson, Mr. Thomas adjourned the meeting at 11:57 p.m.

Respectfully submitted,
Leslie Lovelace, Secretary to the Clerk of the Board