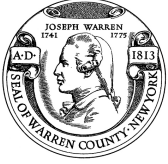
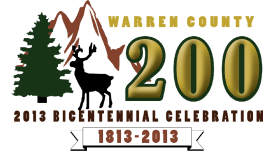


# Warren County Board of Supervisors



**SPECIAL BOARD MEETING  
FRIDAY, NOVEMBER 1, 2013**



The Board of Supervisors of the County of Warren convened at the Supervisors' Room in the Warren County Municipal Center, Lake George, New York, at 10:00 a.m.

Mr. Kevin B. Geraghty presiding.

Salute to the flag was led by Supervisor Thomas.

Roll called, the following members present:

Supervisors Conover, Monroe, Girard, McDevitt, Taylor, Loeb, Kenny, Frasier, Bentley, Vanselow, Dickinson, Merlino, Montesi, Mason, Strainer, Westcott, Thomas, Wood and Geraghty - 19; Supervisor Sokol, absent - 1.

Chairman Geraghty noted the purpose of the Special Board Meeting was to present the 2014 Tentative County Budget. He thanked everyone for attending and expressed his appreciation for the efforts made by the Budget Officer and the Budget Team, as well as the Warren County Department Heads and staff, for working diligently to bring forth a timely budget with the taxpayers in mind.

Commencing the agenda review, privilege of the floor was extended to Frank Thomas, Budget Officer, who proceeded to make the 2014 Budget Message, as follows:

“Before presenting the 2014 Tentative Budget, I would first like to take this opportunity to thank the Budget Team: County Administrator Dusek, Assistant Administrator JoAnn McKinstry, and Deputy Treasurer Rob Lynch for their work and guidance in preparing this budget. Also thank you to the Department Heads for your cooperation and presenting realistic budget proposals. We should also take a moment to recall where the County has been financially (2009) and the positive position we find ourselves in today, and appreciate the tough decisions and diligence of our previous Budget Officer, now Chairman, Kevin Geraghty, the same Budget Team, the Board of Supervisors and the County’s Department Heads and employees for managing the difficult choices made and maintaining County services without a lot of noticeable differences from the public’s prospective.

“Warren County’s financial position is in good condition. Our bond rating has been upgraded and our general fund balance is healthy. We have sort of turned a corner, if you will, and the 2014 Budget reflects that. Warren County is not in fiscal stress, the County has worked through its fiscal stress. We still seek reductions in expenses but at the same time have the ability to address areas of concern to the Board and areas that had to be sacrificed in previous budgets.

“This budget relies more heavily on sales tax revenue than past budgets. The cushion between the amount used in the budget and the actual amount collected is now thinner, and in turn will slow the growth in the fund balance. Continued growth in sales tax revenue collected at the County is a necessity and with past years as a guide we should anticipate this will occur.

“When this process began in July, I set as a goal a zero percent property tax increase and also said it probably would not occur this budget cycle; however it will happen. By taking an incremental and steady approach we will reach this goal. The percent of tax increase has

decreased, down from 1.99% (2013) to 1.57%. Included in this budget are modest steps to address invasive species, the deteriorating County road conditions, replacement of highway machinery, 2% salary increases and a third round of salary adjustments for the non-Union employees and funds for Human Resources positions, while maintaining a very high level of employer contribution rates to the NY State Retirement System and a substantial increase in health insurance benefit costs.

“Everyone would like to be at a zero percent property tax increase but to get there through the use of fund balance only has the potential to unwind the favorable financial position the County is in. With a stable economy, steady growth in sales tax revenue, continued development of efficiencies in providing the County’s services, the sale of Westmount Health Facility, future reductions in retirement contribution rates and managing the County’s health care costs, I believe we’ll get to a sustainable zero percent that can be carried forward and maintained for more than one year.”

Following the Budget Message, Mr. Thomas provided a power point presentation on the 2014 Tentative Budget, a copy of which is on file with the items distributed at the Board Meeting. The presentation indicated that the 2014 Tentative Budget proposed a \$154 million budget which would increase the tax levy by 1.57%, well below the increase allowed by the tax cap. Additionally, the 2014 Tentative Budget represented a \$2.6 million (or 2.1%) increase in appropriations over the 2013 Budget, when sale tax distributions were excluded, calling for an amount to be raised by tax of \$40,611,218.

Mr. Thomas announced that the 2014 Tentative Budget included \$300,000 for invasive species eradication efforts and \$600,000 for County road improvements and machinery purchases. He noted that although these funding levels were lesser than requested and not as high as some had hoped, these appropriations represented a starting point to address funding needs. Mr. Thomas announced that the 2014 Tentative Budget provided funding for the proposed reintroduction of a Human Resources Department which he felt was very important in light of the personnel needs of the many people employed by Warren County, as well as to address issues relating to the several Union affiliations for bargaining unit employees. He advised the 2% raise included in the 2014 Tentative Budget would apply for some non-bargaining unit employees who had not received an increase since 2009; he added that a third round of salary adjustments for non-Union employees was also included and he said he anticipated this would address the majority of the adjustments needed and that the figure would be lower in the future.

With reference to the power point slide entitled “Significant Revenues”, Mr. Thomas apprised the Sales Tax Collections figure of \$49.9 million was much more aggressive than those used in prior years and was much closer to the actual collections anticipated. He noted that although it was not their desired course, if the sales tax revenues did not meet their expectations, they could retract funds appropriated for invasive species efforts and County road/machinery purchases.

While reviewing the slide entitled “Items Driving Appropriations”, Mr. Thomas identified two examples as being health insurance and retirement costs. He advised the health insurance coverage would suffer a 5% increase brought about by the Affordable Health Care Act, but advised that for 2014 Warren County would be implementing the suggestion made by the County’s Health Insurance Broker to self insure the prescription program for County employees which was projected to save the County money. As for retirement costs, Mr. Thomas stated it was his hope that these costs had peaked in 2013 and would now begin to gradually decrease each year, as projected by the State Comptroller’s Office.

Mr. Thomas reviewed the Budget Officer's Recommendations, which included using \$2,314,468 in surplus funds to balance the 2014 Budget. He said this was an important number to note, as budgeting more sales tax would mean slower growth for the surplus fund balance; he added that by developing efficiencies in Departments, maintaining health care costs, generating additional revenues where they were able and hoping for increased sales tax revenues, they could bring this figure back down to a manageable level in order to reach and sustain a 0% property tax increase. Mr. Thomas apprised that while the 2014 Tentative Budget included a total of approximately \$2 million in funding for Road Projects (*\$1.65 million in CHIPS (Consolidated Highway Improvement Projects) funding and an additional \$350,000 in County funding*), they hoped to provide an additional \$1 million in County funding to this portion of the budget after the Budget Team convened in May of 2014 to review the County's budgetary status and determine whether such funding was available. He advised that in the event \$1 million was not available, they would try to provide whatever level of funding was deemed practical at that time. Mr. Thomas stated that if everything went as planned, they would be able to apply this flexible spending type approach in both 2014 and 2015 to meet the County's highway infrastructure needs.

Moving on to the Multi-Year Financial Plan slide, Mr. Thomas asked Mr. Dusek to provide a review of the Budget Team's multi-year budgeting plans. Mr. Dusek advised that no budget was complete unless they took a look at the implications over the next few years; he added that, as pointed out by Mr. Thomas, they had to be careful about the amount of surplus funds used in 2014 because it would mean surplus funds would need to be used again in future years, causing the reserve to be drawn down repeatedly, unless a solution was developed to identify additional funds that could be used. Mr. Dusek explained that in the multi-year budgeting plan, the budget was brought forward each year and updated to include known increases, such as those associated with certain multi-year union agreements that specified salary raises, as well as anticipated increases in health insurance costs. He added that they also held discussions with the County's Department Head staff in an attempt to ascertain what any projected contract cost increases would be. Mr. Dusek apprised that similar steps were taken to project anticipated revenues.

Mr. Dusek pointed out that in order to provide a starting point for budgeting purposes, the Multi-Year Financial Plan document incorporated the 2014 projected tax rate increase of 1.57% for years 2015-2017. He said the good news in this projection was that in 2017, the County's anticipated revenues would exceed anticipated expenses with a General Fund Surplus balance greater than \$11 million, which was exactly where the County wanted to be. Mr. Dusek stated that exceeding revenues would allow the County to attribute funding to other important programs not currently being adequately supported, such as the County's highway infrastructure. He added that although there were some deficits shown for other years, it was clear that the County would be in very good financial shape in 2017, if they continued along the suggested path. Mr. Dusek commented that the projections shown were actually better than those developed 6 months ago due to higher than anticipated sales tax projections, as well as lower than estimated health insurance costs for 2014, which modified the budget structure in a positive direction for the County. He stated that they needed to maintain the course the County was on and continue current practices aimed at decreasing costs and identifying budgetary savings with the help of the Department Head staff in order to reach an even higher revenue over expense projection. Mr. Dusek noted that not only would this process provide the ability to steer additional funds into important projects and programs that are good for the County, it would also allow the Budget Officer to better achieve his goal of reaching a 0% property tax increase.

Mr. Dusek recalled that at a previous Budget Committee meeting when discussing the projections for the sales tax increase he had indicated an estimated decrease in fourth quarter sales tax revenues and Mr. Kenny had questioned this statement because he did not see the decrease. He advised that after the meeting, he and Mrs. McKinstry had reviewed the figures further and found that he had mis-stated

the methodology used to determine sales tax revenue estimates. He clarified that through this process they looked at the third quarter sales tax revenues for 2013 as opposed to the third quarters for prior years, but had not reviewed the fourth quarters. Mr. Dusek advised that when the third quarter revenues for 2013 were reviewed in comparison to the 2011 and 2012 figures, they had found the 2013 third quarter revenues to be higher than the total sales tax revenues received for the entire year in both 2011 and 2012. Given this information, he said he had recommended use of an assumed annual sales tax revenue increase of 3.5% because each year they were finding that the total year revenues were lower than the third quarter. Mr. Kenny's point, he stated, was that if you looked at the fourth quarter figures, they were in some instances higher than the third quarter, which was correct; he continued that the confusion had been caused by his reference to the total year revenue, while Mr. Kenny was referring to fourth quarter revenues and he apologized for this miscommunication. Mr. Dusek advised the recommendations provided by the Budget Officer regarding the use of sales tax were appropriate and he said he felt the overall formula was still valid to lower the anticipated total rate of increase and then assume a 1.25% increase for 2014 in order to maintain a conservative parameter for sales tax revenue and provide a bit of room to move in case the projections were off.

Moving on to the next power point slide which outlined the factors contributing to the improved financial outlook for Warren County, Mr. Dusek commented that the anticipated sale of the Westmount Health Facility was a large contributing factor and he noted that if the sale was not completed, it would severely affect the projections provided causing some serious deficits for following years which would upset the entire multi-year budgeting plan. He continued that he felt it was very important to complete the sale of the Facility before the close of 2014 in order to avoid these issues. Another large contributing factor, he advised, pertained to restructuring of employee benefits to change the employee contributions and a change in Retirement Tiers from the State of New York which allowed a decrease in the amount of benefits that the County had to pay. Mr. Dusek commented that these were considerable factors as the County was seeing a turnover of 6-7% each year which had a significant effect on the total cost structure. He noted that all of these changes had been made because the Board of Supervisors had taken several initiatives in collective bargaining negotiations, as well as with non-bargaining unit employees, to change the benefit structure and make it more comparable to the benefits provided for private sector employees.

Mr. Dusek stated that the Board of Supervisors had previously set a fund balance range of \$6-\$12 million for the General Fund and the \$11.1 million fund balance projected for 2017 would place the balance closer to the high side of this range. He concluded that if the conservative trend proposed was followed that figure might change, allowing for the property tax increase to be decreased and more funding provided to important programs.

Mr. Thomas thanked Mr. Dusek for his comments. He noted that the 2014 Tentative Budget had been presented to and approved by the Budget Committee at their October 29<sup>th</sup> meeting and he opened the floor for any questions or comments.

Mr. Montesi questioned the status of the sale of the Westmount Health Facility and Mr. Dusek responded that the sale had been somewhat delayed due to the need to retain expert assistance to review the associated co-generation facility and resolve several issues before the transaction could proceed. Mr. Dusek said he had held a telephone conference with the experts last week and would have another one during the following week; he said he hoped he would receive all the necessary information to answer questions relative to the co-generation facility and resume negotiations for the sale of the Facility. He stated that he anticipated being able to provide a thorough reporting on the co-generation facility within the next two to three weeks and determine what offers were available. Mr. Montesi then asked if the ultimate goal was to sell the co-generation facility with Westmount and Mr. Dusek replied affirmatively, noting that at this point it did not seem worthwhile to sell it separately.

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In response to Mr. Loeb's request for further clarification regarding the funding for highway improvements, Mr. Thomas explained the 2014 Tentative Budget include \$1.65 million in CHIPS funding, as well as an additional \$350,000 in County funding, providing a total of \$2 million for highway repairs and improvements for 2014. Mr. Thomas noted that the State Legislature had recently increased the amount of CHIPS funding to be provided by approximately \$260,000, which was included in the \$1.65 million figure. He reiterated that the Budget Team would review the County's budgetary situation again in 2014 and, provided the outlook was good, hoped to appropriate an additional \$1 million for highway improvements; however, he cautioned, that amount might be smaller, or non-existent, if they were not able to maintain projected estimates. Mr. Thomas pointed out that the 2014 Tentative Budget also included \$250,000 for DPW machinery purchases. He recalled that in prior years funds had been borrowed to make machinery purchases, but these items often wore out and required replacement. Mr. Thomas stated that although they were only able to appropriate a small amount of funding, he hoped this would serve as a start to maintaining equipment inventories, alleviating the need to borrow funds in the future.

Mr. Mason stated that he planned to vote in favor of the 2014 Tentative Budget because he believed it was a good compromise document that addressed many of the issues he had been advocating for. Specifically, he cited the \$300,000 in funding for invasive species eradication and \$600,000 for much needed road repairs and machinery, while allowing a flex plan to possibly provide more funding for highway improvements in 2014, as well as a 10% reduction in the Airport's operating budget. Mr. Mason noted that although these amounts were lower than he would have liked, they were a step in the right direction. He stated that the 2014 Tentative Budget called for an overall property tax increase of approximately 1.5%, which was exactly what he had called for in the 2013 Budget, but not the 0% tax increase he believed could be achieved. Most importantly for his constituents, Mr. Mason continued, it would result in Town of Queensbury property tax rates changing from \$4.711 to \$4.772, an increase of only 1.29% which was both frugal and responsible; he added that, once again, although this was not exactly the result he would have liked, it was a good step in the right direction. In conclusion, Mr. Mason thanked Supervisor Thomas and everyone else involved in preparing the 2014 Tentative Budget, noting that he was proud of the part he had played in its development and would be voting in favor of its adoption without hesitation.

Mr. Kenny complimented the Budget Officer and the Budget Team for their tremendous accomplishment in developing the 2014 Tentative Budget. He said he was pleased with the aggressive nature of the estimation of the sales tax revenue, advising that those figures had been underestimated by \$4 million for 2013; he pointed out that \$49.9 million in sales tax revenues had been projected for 2014, and with any luck, that figure would be exceeded and sales tax revenues approaching \$51 million would be collected. Mr. Kenny opined that they were being overly conservative in the 2014 Tentative Budget, but that was offset by the intention to provide additional funding to the highway improvement program in 2014. He concluded that he would be voting in favor of the 2014 Tentative Budget, as well.

Mr. Westcott commended Supervisor Thomas, the Budget Team and the County's Department Head staff for their efforts and cooperation in developing the 2014 Tentative Budget, which he said he was very impressed by. He stated that he also planned to vote in favor of the Budget and commended the Board of Supervisors for holding the Special Board Meeting prior to Election Day in order to allow each Supervisor to state his/her standing. Mr. Westcott said he wished there were more members of the public in attendance and would be sending out his newsletter which would include his personal position on the 2014 Tentative Budget. He stated his appreciation for the inclusion of additional funding for road repair and maintenance and he noted that in a recent UNYTA (*Upstate New York Taxpayers Association*) survey, this was a top priority; he said he also appreciated actions taken to preserve and increase the surplus fund balance to the level it needed to be at. Mr. Westcott commented

that other Supervisors had spoken out against new construction and new debt, which he also supported, and he commended the members of the Board of Supervisors for taking steps to further decrease the County's current debt which approached \$36 million, and he said it was great that the 2014 Tentative Budget included funding to provide salary increases for non-bargaining unit employees who had not received raises over the past few years. Mr. Westcott stated that his main disappointment was with the Airport budget which he continued to believe was too high. He reported that he had presented a proposal to the Budget Committee for ways in which the Airport budget could be reduced, which he believed had been taken seriously, and he said he looked forward to working with his fellow Budget Committee members to make additional reductions in this area in the future. Mr. Westcott commented that as per the results of the UNYTA study, the Airport budget was of most concern, with 71% of the 286 responders indicating that this was an area where reductions should be made. He concluded that he was in support of the budget and noted that the tax increase for the Town of Queensbury represented a 1.29% increase, as compared to the 4.5% increase implemented in 2013, which was a step in the right direction and he commended the Budget Officer for his initiative to move towards a 0% property tax increase for future years.

Mr. Thomas thanked everyone for their comments, stating that it was nice to be in a position where more money could be appropriated to items as needed; however, he said, he did not feel he could take the credit for this work as it was more appropriately given to the previous Budget Officer and members of the Board of Supervisors who had made difficult reductions and sacrifices in order to get the Budget to its current state.

Resuming the agenda review, Chairman Geraghty advised each Supervisor had received a copy of proposed Resolution No. 576, *Adopting Tentative Budget Providing Appropriations for the Conduct of County Business for the Fiscal Year 2014 and Authorizing Public Hearing on the Budget*, and he noted a motion was necessary to bring the resolution to the floor.

Motion was made by Mr. Montesi, seconded by Mr. Strainer and carried unanimously to bring proposed Resolution No. 576 to the floor.

Chairman Geraghty called for a vote on the resolution, following which Resolution No. 576 of 2013 was unanimously approved.

Concluding the agenda review, Chairman Geraghty asked if there were any announcements to be made.

Mr. Westcott announced that he would like to make a statement pertaining to a recent advertisement placed by a group called "The Hometown Voice" in the October 31-November 6, 2013 edition of *The Chronicle* regarding candidates running in the upcoming November elections, following which he would like to propose a Board resolution for consideration. Mr. Westcott read the following prepared statement, which he said he would also be releasing publicly:

"Yesterday while attending Rotary I picked up *The Chronicle* and I saw a negative ad placed by an anonymous group called "The Hometown Group" attacking my integrity and the integrity of Doug Beaty and Matt Sokol. I immediately distributed it around the table, to the dismay of everyone there. On The Hometown Voice website they state "We should all strive to be great neighbors", but their ad in *The Chronicle* is not very neighborly. Those who they attacked live here and the ad calls into question the character of three good men who have deep roots in the community; our parents and kids read *The Chronicle*. The disturbing thing about this ad is the anonymity. There is no information on this person or group in the ad or on their website, they just appeared out of the blue a few weeks ago just before this election. Glens Falls was named "Hometown USA" in 1944 by *Look* magazine due to its small town values, charm and character.

Those behind this ad dishonor the term “Hometown” by taking this approach which is the sort of thing you might see in Washington, D.C., Albany or New York City, but not here. I have no issue with people disagreeing with me, but they should say who they are, and here in Hometown USA, do it civilly. The political process has been healthy, neighborly and civil up until now. There are a lot of good people out there, even if we don’t agree. I am filing a formal complaint with The League of Women Voters and Fair Campaign Practices and am also asking the Board of Supervisors, this morning, to pass a resolution stating political ads should not be anonymous and should refrain from negative personal attacks. Thank you for your consideration.”

Chairman Geraghty advised that if the Board was in favor of approving the resolution proposed by Mr. Westcott, a motion to waive the Rules of the Board would be necessary.

Motion was made by Mr. Westcott and seconded by Mr. Monroe to waive the Rules of the Board requiring that a resolution be in writing.

Mr. Kenny stated that he was not sure the Board of Supervisors was able to control what was printed, as that was the decision of the individual media outlet. Mr. Westcott responded he was not seeking a new law to prevent such printings, but rather a symbolic statement that this was a practice the Board did not condone.

Mr. Mason said he was a bit uncomfortable in acting on this issue without further research and review of the situation. Mr. Vanselow stated that dating back to before the Revolutionary War there was a long history in this Country of being able to publish political comments anonymously and he did not think it was proper for the Board to express its disapproval of the process as it had its place in certain situations. Adding to Mr. Vanselow’s comments, Mr. Taylor noted that historically, Ben Franklin had published political arguments under a pseudonym name, and therefore he found this to be a bit of a touchy subject. He stated that when he had read the article one of the first things that had occurred to him was who belonged to this group and he was able to easily visit the Board of Elections website and find this information; Mr. Taylor added that this was not secret information and should probably been included in the article. He concluded that he was unsure the Board should even consider a resolution which would seek or attempt to prohibit this ability in any way.

Mr. Conover commented that it was a mistake for any piece of legislation to bypass the Board’s typical Committee review structure and he suggested the matter be referred to the Legislative & Rules Committee for review before a resolution was considered. Speaking as Chairman of the Legislative & Rules Committee, Mr. Monroe said he was agreeable to referring the matter to the Legislative & Rules Committee if that was the desire of the Board. He said he also agreed with the sense that public interest was best served by political ads that focused on the qualifications and positions of the candidate, while negative political ads, particularly those that were anonymous, did not further that goal. Mr. Westcott stated that he was not adverse to referring the matter to the Legislative & Rules Committee.

Mr. McDevitt commented that the Board was teetering on infringing upon the rights of free press in this Country and he was uncomfortable with that stance. He said that as far as a resolution, he would like to see someone address in an impartial way the specifics that were encompassed in the article. Mr. McDevitt opined that this article fell within the realm of politics and free press and he did not feel the Board of Supervisors, as a legislative body, should become embroiled in the issue.

Chairman Geraghty called for a show of hands to determine whether the matter should be referred to the Legislative & Rules Committee for further discussion; the majority were in favor and therefore the

issue was referred.

Mr. Dickinson referenced an article in that morning's edition of *The Post Star* pertaining to an archeological dig taking place in Lake George and he encouraged anyone interested in artifacts and prehistoric history to visit the site. He advised there were many archeologists on site who were more than happy to discuss the extensive 8,000 year old settlement of native American Indians where they had found a number of fascinating artifacts. Mr. Dickinson concluded that the archeological dig would continue through the fall season until the winter weather set in.

Mr. Strainer stated that at their October 30<sup>th</sup> meeting, the Community College Committee had barely made a quorum to call the meeting to order and then because Mr. Montesi had to leave the meeting, they had been unable to vote on a proposed resolution that had been brought to the floor. He implored his fellow Board Members to contact either the Committee Chairman or Joan Sady, Clerk of the Board, when they were unable to attend Committee Meetings so as not to waste the time of other Committee Members in the event that they were unable to take action during meetings due to a lack of quorum. Mr. Strainer commented that during the Community College Committee Meeting a very good presentation had been made regarding the ways in which SUNY Adirondack sought to expand the College and add new classes; he added that because the resolution could not be voted on at the Community College Committee Meeting, the matter had been referred for discussion at the November 6<sup>th</sup> Finance Committee and he encouraged everyone to attend the meeting to hear about the proposal. Mr. Strainer stated that this referral to the Finance Committee troubled him because he was not a member of that Committee and could not bring the matter to the floor or vote on the issue. He apprised that the expansion initiative would not incur any cost to the County and would simply express Warren County's support for SUNY Adirondack's plans and encourage them to contact the State of New York in search of additional funding for the new construction. Mr. Strainer opined that it was important for the community to have such good educational programming available and he projected that the expansion would attract new businesses and corporations to Warren County, as well as to strengthen the ones already present. He concluded that the Washington County Community College Committee had voted unanimously in favor of this initiative.

Mr. Kenny wished all of his fellow Supervisors good luck in the upcoming November 5<sup>th</sup> elections; he stated that the current Board of Supervisors was a very diverse group, but all members had worked well together.

There being no further business to come before the Board of Supervisors, on motion made by Mr. Bentley and seconded by Mrs. Frasier, Chairman Geraghty adjourned the meeting at 11:06 a.m.