

Warren County Board of Supervisors

**SPECIAL BOARD MEETING
FRIDAY, NOVEMBER 7, 2014**



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, McDevitt, Taylor, Kenny, Brock, Frasier, Simpson, Vanselow, Merlino, Strough, Seeber, Sokol, Beaty, Westcott, Thomas, Wood and Geraghty - 17; Supervisors Monroe, Girard and Dickinson absent -3.

Chairman Geraghty noted the purpose of the Special Board Meeting was to present the 2015 Tentative County Budget. Privilege of the floor was extended to Frank Thomas, Budget Officer, who proceeded to make the 2015 Budget Message, as follows:

"This is my second year as Warren County's Budget Officer, therefore my second tentative budget presentation. Occupying this position is indeed a privilege and responsibility I don't take lightly. I work at it, try to be informed and make reasonable decisions. Thank you to the Chairman of the Board for the opportunity. Despite what some seem to think, I do listen to what people have to say, I want your opinions, suggestions and ideas to improve the budget process but in the end improve the County's income for everyone. There are many moving parts and cost targets in developing a budget this size and I offer a sincere thank you to our County Administrator, Paul Dusek; Assistant Administrator, JoAnn McKinstry; and Deputy Treasurer, Rob Lynch for the knowledge, work and guidance in developing this proposed budget.

"Our County department heads work diligently to prepare their budgets, they are aware of the expectations with added expenses, but they also come with ideas and work to improve the services their departments provide, whether directly to our residents or enhancing efficiencies of the county's operations. We have very experienced and talented individuals often doing very difficult jobs. I appreciate and thank each one for the knowledge they bring to the budget process, but more importantly the work they perform each day.

"Ultimately, as I am reminded quite often, the decisions of what is included or not included in this tentative budget is the Budget Officer's call and with that the praise and criticism that comes with making these decisions. No one, including myself, is going to like everything that is a part of a budget this large and diverse.

"Last year at this time I said we had turned a corner in the County's financial condition and we have, a goal of zero percent increase in the tax levy was set. Unfortunately, around that corner were more obstacles and challenges in the path of reaching that goal. Every budget has its challenges, this one is no exception. The additional Corrections Officers immediately come forward as a very large expense to absorb all at once along with other additional expenses. Fortunately, Warren County's fiscal position allows us to overcome this obstacle, but not without a cost. The tentative 2015 Budget has a 1.53% tax levy increase or an additional \$620,731.00

“Funded are 13 full-time Corrections Officers and 10 FTE (*full time equivalent*) positions as directed by the NYS Department of Corrections. Seven full-time Corrections Officers were hired this year using our fund balance, three more full-time Corrections Officers are to be hired January 1, 2015 and the last three full-time Corrections Officers on July 1, 2015. By delaying three positions until July, the County will save \$182,000. The total cost is \$1,134,000; however, some of this expense has been mitigated by additional revenue from the boarding of Federal prisoners. Budgeted for 2014 was \$300,000 in revenue, which has been exceeded and budgeted for 2015 is \$600,000 in revenue. This is obtainable with Sheriff York’s administration of the County’s jail. The Sheriff, along with Captain Gates and the Corrections Officers, run a no nonsense and disciplined jail and the Federal authorities recognize this and board their prisoners here. Excellent work; please continue!

“This budget relies very much on the pending sale of the Westmount Nursing Facility to Speciality Care. The facility is funded through the end of May 2015, when it is anticipated the sale and approval by the NYS Department of Health will be completed. It is of the utmost importance that this transaction be complete within its time frame.

“Additional funds are included for snow and ice contracts with the towns. 151.5 miles of County roads are cleared by the town highway departments. The rate per mile is increased by \$1,576, from \$5,208 to \$6,784 per mile at a cost of \$238,770.

“The IT (*Information Technology*) Department is allocated additional money to complete the virtualization project and fund a reserve account to pay for future replacement of computers and servers. Virtualization will reduce the number of servers from approximately 35 to 3 each for the Sheriff’s Office and the remainder of the County. This will make the County’s systems more reliable, consistent and efficient.

“Included is a 2% wage and salary increase for all Union and non-Union employees. 30 non-bargaining positions have been adjusted in addition to the 2% increase. In the future, along with a salary study or comparison with other counties, more information needs to be available in determining these adjustments. I would suggest a performance review system and a detailed compensation sheet for each employee, listing the salary, health insurance, retirement, Social Security, Workers’ Compensation, etc., for a total cost of employment. More information will help to make better decisions. Focusing just on salary is the norm, but seeing the total compensation package, on paper, would be beneficial for both the employer and the employee.

“The County is managing health care cost increases with success. While there is a 4% increase for 2015 this is considerably less than the 8-10% plus we have been accustomed to. Warren County is self-insured for prescription drugs, has a minimum premium policy for medical care and has Medicare Advantage policies for eligible retirees. With the changes in health care due to “Obama Care”, no one is exactly sure what lies ahead, but the goal is to remain steady, with predictable 4-5% increases in future years.

“Narrowbanding of communication frequencies by the Federal Communications Commission has adversely impacted the ability of our emergency service agencies to communicate with each other. An analysis of the County’s system has been completed and recommendations presented to improve our system. This budget has no appropriation for this; however, the County’s Office of Emergency Services is actively pursuing grant opportunities through New York State and prospects are positive that the County can obtain some funding to address some of the recommendations.

“Yesterday, the County Facilities Committee voted to move ahead with construction of new Family Court space and renovations to existing space advanced by the addition of a second Family Court Judge for Warren County. This is a project that is long overdue not only for the security of everyone working in the court system, but the safety and security of the public accessing the court system in whatever capacity. Bonding costs will present another challenge, another large expense to absorb into the next budget. Knowing sooner rather than later, this expense is ahead is of benefit, much like the additional corrections officers, it should encourage us to contain spending in other areas of the County in order to meet this expense with as little impact on the taxpayers as possible.

“This proposed 2015 budget overcomes some of the obstacles found when we turned that corner, with as little additional impact to the taxpayer as possible.”

Supervisor Thomas then proceeded to make a powerpoint presentation on the 2015 Tentative Budget, a copy of which is on file with the items distributed at the Board meeting. At the conclusion of the powerpoint presentation, Supervisor Thomas opened the floor to any comments or questions on the Budget proposal.

Chairman Geraghty congratulated Supervisor Thomas and the Budget Team for their hard work in developing the Budget proposal. He noted that an initial goal of a 0% increase had been set and he opined that they would likely have achieved that goal if it had not been for the need to include additional Corrections Officer staffing. Chairman Geraghty praised the County’s department head staff for their part in the budget process, noting it was reflective of the trend adopted by Warren County staff to request only the amount of funding that was needed to maintain operations in an effort to reduce spending. Chairman Geraghty concluded that he believed by continuing to follow this budgeting trend, Warren County would eventually achieve a budget with a 0% increase.

With regards to the overtime funding included in the 2015 Tentative Budget for the Correctional Facility, Supervisor McDevitt noted that as part of the study performed by the State of New York that had identified the need for additional Corrections staffing, they had also noted the increased staffing levels would decrease the amount of overtime hours incurred. With this point in mind, Supervisor McDevitt questioned why an increase in overtime funding for 2015 was being budgeted when they were also budgeting for additional Corrections staff. Supervisor Thomas responded that he agreed it would seem the overtime funding budgeted should be reduced with the addition of staff; however, he said, it had been explained to him that the additional overtime was needed to cover sick and vacation leave time for staff, as well as to accurately budget for the overtime used in past years as this budget line had been sorely underestimated. He advised that they had increased the amount budgeted for overtime expenses in an effort to account for the actual expense they expected to incur. Supervisor Kenny commented that Supervisor McDevitt made a good point and he noted that the Correctional Facility had not expanded its size or the hours served so it would only make sense that additional staff would reduce the amount of overtime hours used. Supervisor Thomas agreed that these were good points and he could not argue against them. Supervisor Wood, speaking as Chairman of the Public Safety Committee, indicated that new staff would be incorporated in January of 2015 who would require a certain amount of training. She noted that while the new staff were being trained, overtime would probably be necessary to cover shifts and perhaps once this training was complete, the overtime would decrease and possibly all of the funding budgeted would not be expended. Supervisor Wood extended her appreciation to Supervisor Thomas and the Budget Team for their work in developing the 2015 Budget proposal. She said she had seen many good things included in the Budget which reflected big accomplishments. Supervisor Wood concluded that she was sure there would be much more discussion on the document, but said she felt this was a good tentative Budget which she would support.

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Supervisor Brock stated that while he felt Supervisor Thomas and the Budget Team had done a good job producing the Tentative Budget, he had some concerns about the way it was developed. He reflected upon the budgeting processes he had been involved in during his previous tenure as a member of the City of Glens Falls Common Council which had included open meetings where everyone was present to review and consider the budget requests of each Department. Supervisor Brock said he had not been apprised of the meetings of the Budget Team and therefore had not been able to take part in them and obtain a good understanding of what each department had requested and whether what had been included in the Tentative Budget was appropriate. He added that because he had not been able to take part in these meetings, he would have to vote against the Tentative Budget proposal. Supervisor Brock concluded that while he did not intend to criticize the process used, and he was sure Supervisor Thomas and the Budget Team had done a good job, he felt there were some holes in the budgeting system, particularly for the new Supervisors that were not made aware of how the process worked or when these meetings were held. Supervisor Thomas responded that while he understood Supervisor Brock's position, he felt some of the blame for the lack of information must be placed on Supervisor Brock because he had not asked about when the meetings were being held. He explained that in the past, the budget meetings had all been held in open session, but during the economic downturn these meetings had become very contentious and argumentative with all the details being printed in the local newspapers. Supervisor Thomas stated that while open meetings were a good idea in most cases, they had decided to implement alternate procedures for the informal budget development meetings. Supervisor Brock stated that in August he had asked Supervisor Thomas when these meetings would be held, but had not been informed about them; Supervisor Thomas responded that he recalled providing this information, but Supervisor Brock advised this was not the case and he indicated he had first learned about the meetings from Supervisor Simpson. Supervisor Brock stated that the process used by the Glens Falls Common Council had been open to comment by all Council members and the public; he added that while the meetings were many times very boring and tedious, they were open and transparent. He opined that the County should run their budget preparation meetings in the same manner and he advised they could not make easy decisions by keeping the meetings closed and private and still call it a democratic process. Supervisor Brock concluded that he was not a fan of arguments or contention either, but believed the right way to prepare a budget was to use a transparent process open to everyone.

Supervisor Westcott stated this was the third Budget to be considered for approval during his tenure as a Town of Queensbury Supervisor, and therefore, he understood the process used and recognized how hard Supervisor Thomas and the Budget Team had worked to produce the 2015 Tentative Budget. He also recognized that not everything in the Tentative Budget would be acceptable to everyone. Supervisor Westcott complimented Supervisor Thomas on achieving a 1.53% tax increase and he said he believed that if it had not been for the additional Corrections positions, they would have reached a 0% tax increase in the 2015 Budget proposal. He stated that there were a lot of good things included in the Tentative Budget, but there were some things he would like to point out. Firstly, Supervisor Westcott stated, he was uncomfortable calling the use of \$2.9 million from the General Fund balance a "surplus"; he pointed out that these were taxpayer dollars that had not been expended. Supervisor Westcott noted that they had been able to reach a minimal 1.53% tax increase because of the availability of remaining taxpayer dollars that had not been expended and it was very important for everyone to realize this point. He said that they might even reach a point in the future when they could refund these unused dollars to the taxpayers, rather than using them for future expenditures. Secondly, Supervisor Westcott indicated he was still uncomfortable with the sales tax projections which might lead to a need to find an additional \$400,000 to offset unrealized sales tax projections which made him very nervous. He said he would prefer that the actual figures be budgeted for future years, rather than using projections. Supervisor Westcott continued that he was also concerned about including monies projected to be received from casinos. He apprised he had received unsolicited advice from a friend

with a long history in economic development who had counseled that the County should be cautious about including \$500,000 in projected revenues in the Tentative Budget because, in that person's opinion, anything could happen, including not receiving the projected revenues. Supervisor Westcott stated that if they did not receive these funds, they would have to use another \$500,000 from the General Fund balance to offset the loss, bringing the total used in 2015 to \$3.4 million.

Supervisor Westcott pointed out that the Tentative Budget included about \$900,000 to \$1 million more in expenses than what was originally presented to the Budget Committee and he said he had lost track of how the expenditures had been increased. He said he hoped that the Budget Committee would meet again before the next Board Meeting when the final Budget would be considered for adoption and he advised that because he was not sure what was actually included, he intended to vote against the Tentative Budget. Supervisor Westcott recalled that in the past he had been asked to advise of any areas of the Budget he felt could be reduced, and he noted that during all three of the budget processes he had been involved in, he had been a proponent for reducing expenditures at the Warren County Airport by \$300,000 to \$400,000. He said he knew these reductions were possible and he had requested that the Budget Committee consider them; however, he added, this review had not taken place and he said he hoped such consideration would be undertaken before the final Budget was presented. Supervisor Westcott noted that he had discussed this matter with the Chairman of the Board and although Chairman Geraghty had not disagreed that the reductions could be made, he had stated he felt there would be a lack of Board support for them. He reiterated he was convinced these reductions could be made and he noted there were others who shared his feelings. Supervisor Westcott suggested that an open meeting to discuss these projected savings would be appropriate and that representatives from the FBO (*Fixed Base Operator*) should be present, as well.

Finally, Supervisor Westcott stated he was not in favor of extending the Additional Mortgage Recording Tax approved at the November Board meeting. He opined that if Budget reductions were made at the Airport and they stopped making payments to Siemens Building Technologies (*relating to Westmount Health Facility*) they could offset the revenues that would be lost by discontinuing the Tax. Supervisor Westcott concluded that he had many other points he would like to discuss before the final Budget document was considered for adoption at the November 21st Board Meeting.

Supervisor Beaty stated that he would also like to commend Supervisor Thomas and the Budget Team for the hard work they had done in developing the 2015 Tentative Budget. He added that while he believed they had definitely done their due diligence and spent a considerable amount of time and effort on the Budget, he agreed with Supervisor Brock that it was very difficult to get all of the information and know when groups were meeting to discuss budgets, especially as a new Supervisor. Supervisor Beaty stated he was uncomfortable with a few parts of the Budget, the first being that they would be voting on their own salary increases; he said he believed that when members of Congress voted on their own raises they did not take effect until after the next election cycle and he suggested that possibly the same should be done in this case. Supervisor Beaty advised he was also uncomfortable with some of the individual salary increases included in the Budget and he specifically pointed out that a 6.5% salary increase was proposed for the County Administrator, which he felt sent a terrible message to the majority of the other County employees who would only receive a 2% salary increase. He pointed out that in addition to the County Administrator, there were about 35 other County employees who would receive increases over and above the standard 2% and he said he was uncomfortable with the process used to determine which positions would receive higher increases and how much those increases would be. Supervisor Beaty stated this was a very "gray" process which he did not feel secure in supporting. He continued that he also concurred that the Airport was overfunded and with all the talk about needing more money to support the County's highway infrastructure, he said he felt those dollars would be better spent to repair the roads which every

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County resident used, rather than to support the Airport which was used by far fewer residents. Supervisor Beaty said he believed they had found \$300,000 to \$400,000 that could be removed from the Airport Budget, they just needed the political will to do so, and he said he would support these funds being contributed to the DPW Budget to support additional road work. He stated that Warren County had a great airport, but it was over-funded. Supervisor Beaty cited that the Warren County Airport received close to \$1 million in County funding annually while Saratoga County Airport, which served more air traffic, received only about \$216,000 in annual funding from Saratoga County; he commented that this scenario did not make sense. Supervisor Beaty indicated that he also opposed continuation of the Additional Mortgage Recording Tax and he pointed out that this had been introduced as a temporary tax which was now becoming permanent. He concluded that Supervisor Thomas and the Budget Team had done a great job in developing the 2015 Tentative Budget, but he felt there were still more issues to be addressed and for that reason he intended to vote against it.

Supervisor Seeber stated she understood that what was presented was only the Tentative Budget, but she questioned whether additional meetings would be held to address the concerns expressed before the final Budget was presented for adoption. Supervisor Thomas responded that he was unsure what the process for making changes was and he noted that at the Town level, they were unable to make changes to the Tentative Budget document, once presented, until after the public hearing was held. Paul Dusek, County Administrator, clarified that at the County level there were many options for making changes to the budget documents; he noted they could make changes to the Tentative Budget now, at subsequent meetings held before the public hearing, or even after the public hearing was held. Mr. Dusek advised that they did have the option of holding additional Budget committee meetings to address the concerns expressed before the November 21st Board Meeting. He said the Board Members should not feel restricted by an immediate time frame to adopt the Budget; however, he noted, delaying the adoption beyond the November 21st Board Meeting may make it more difficult to prepare the tax roll documents distributed to the towns in a timely manner. Supervisor Seeber said she agreed to some extent with Supervisor Brock's comments that it had been difficult to attend budget meetings held during the summer months because there were so many, but she said she had been able to attend two which allowed her to learn about the process used. She said they had pointed out some excellent ways to resolve these issues in the future using performance work plans and providing more information to Supervisors, but she said the listing of Budget Team meetings should be circulated so that anyone able to attend could do so.

Supervisor Merlino said he also believed that Supervisor Thomas had done an excellent job in developing the 2015 Tentative Budget and he agreed there were a lot of things that not everyone would be happy with in the document. He added that although they could work on the budget further, it was unlikely they would please everyone; however, he added, he felt the attempt should be made. Supervisor Merlino commented on the salary increases, stating that while it was noble for an employee to turn down raises, they should incorporate a rule that everyone got the same percentage salary increase when they were able to give them. He said he felt this would be a good rule to incorporate to avoid situations where an employee might turn down a raise for a few years and then come back looking to catch up with a larger salary increase for having foregone increases over multiple years.

This concluded the comments on the 2015 Tentative Budget.

Chairman Geraghty advised that they had been talking about developing a performance evaluation process to identify goals for non-Union employees and department heads. He said these discussions had led to his decision to appoint a working group to develop a performance evaluation form that could be used to set expectations for County staff in order to receive salary increases. Chairman Geraghty apprised that the members of the working group, to which he appointed Supervisor Seeber, Vanselow,

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Girard and Monroe, would work with the Chairman of the Personnel Committee, Supervisor Taylor, to develop this valuable tool which would remove some of the subjective nature of the salary increases included in future budgets. Chairman Geraghty said Supervisor Taylor would schedule the meetings of the group to commence this work.

Resuming the Agenda review, Chairman Geraghty called for the reading of resolutions and discussion. Joan Sady, Clerk of the Board, noted that a motion was needed to bring proposed Resolution Nos. 506 and 507 to the floor; the necessary motion was made by Supervisor Merlino, seconded by Supervisor Wood and carried unanimously.

With regards to proposed Resolution No. 507, *Authorizing Chairman of the Board of Supervisors to Send Correspondence to the New York State Department of Health Indicating Warren County Health Services Department will not be Submitting a Request for Information to Continue to Sponsor the Special Supplemental Food Program for the Women, Infants and Children (WIC) Program*, Supervisor Strough questioned why the County would not seek to continue sponsorship of the WIC Program. Mr. Dusek responded that at a special meeting of the Health Services Committee, the Director of the Public Health Division had advised Cornell Cooperative Extension was interested in assuming sponsorship of the WIC Program because it was compatible with some of the other programs they offered. He explained that there could only be one sponsor for the program and since Cornell was interested, the Public Health Division had been in favor of relinquishing the sponsorship. Mr. Dusek advised the Cornell Board was in favor of this move and the Committee had been advised that the Schenectady County WIC Program had been sponsored by Cornell for many years and that other counties were considering making this move, as well. He concluded that for Warren County, this change would mean that the Public Health Division would be able to provide more focus on the other programs offered.

There being no further discussion, Chairman Geraghty called for a vote on resolutions, following which Resolution Nos. 506 and 507 were approved, as presented; the revised Report of Committee on Assessment Rolls was submitted.

Chairman Geraghty called for announcements, but none were made.

There being no further business to come before the Board of Supervisors, on motion made by Supervisor McDevitt and seconded by Supervisor Taylor, Chairman Geraghty adjourned the meeting at 11:09 a.m.