

WARREN COUNTY BOARD OF SUPERVISORS

COMMITTEE: BUDGET

DATE: SEPTEMBER 27, 2006

COMMITTEE MEMBERS PRESENT:

SUPERVISORS CAIMANO
BELDEN
GABRIELS
O'CONNOR
CHAMPAGNE
KENNY

COMMITTEE MEMBER ABSENT:

SUPERVISOR MONROE

OTHERS PRESENT:

JOAN PARSONS, COMMISSIONER OF
ADMINISTRATIVE AND FISCAL SERVICES
JOAN SADY, CLERK OF THE BOARD
JOANNE MCKINSTRY, CONFIDENTIAL SECRETARY
RICK MURPHY, DEPUTY COMMISSIONER OF
ADMINISTRATIVE AND FISCAL SERVICES
SUPERVISOR STEC
SUPERVISOR TESSIER
SUPERVISOR F. THOMAS
SUPERVISOR VANNESS
LARRY CLEVELAND, SHERIFF
WILLIAM MONTFORT, COMMISSIONER, BOARD
OF ELECTIONS
NICOLE LIVINGSTON, SECOND DEPUTY CLERK

Mr. Caimano called the meeting of the Budget Committee to order at 1:35 p.m.

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

Mr. Caimano distributed copies of a proposed letter to Department Heads, as well as 2007 Personnel requests and current bond status. Copies of this information is on file with the minutes. He apprised that the first item to be discussed by the Committee would be the funds owed by Warren County to date. Mr. Caimano referred to the chart provided and stated that the total outstanding, as of July 14th, was \$27,600,000. He noted that there were several resolutions requiring funding which were not included in the total and a listing of those were included at the bottom of the list.

Mr. Belden asked if the total included any funding for the new Health and Human Services Building or Municipal Center renovations/additions and Mr. Caimano replied that it did not. He advised that a total for the project had not been determined but noted that Joan Parsons, Commissioner of Administrative and Fiscal Services, had estimated debt in the amount of \$6 to \$7 million per year. Mr. Caimano asked the Committee members to keep in mind that although the project was costly it was a necessity.

Mr. Caimano apprised that he had met with several of the larger Departments to attempt to reduce the budget to no avail. He said that in an effort to make the necessary reductions he had initially intended to require a 6% cut for each department across the

board; however, he said, this suggestion had met objections from several Supervisors. Mr. Caimano stated that many of the objections were based on the fact that some Departments, such as the Department of Motor Vehicles (*who had maintained a conservative 2% budget increase for the past two years*), had worked to maintain reasonable budget increases and it was not fair for them to sustain additional cuts.

In order to decrease the budget fairly, Mr. Caimano said that he and Mrs. Parsons had drafted a letter, (*a copy of which was distributed to the Committee*), asking each Department Head to review their budget proposal for possible reductions. He noted that the Departmental requests submitted for 2007 totaled \$37,024,317, an increase of \$7.5 million from 2006.

Mr. Belden noted that the County Clerk and Real Property budget requests were similar to those submitted in 2006. He suggested that each Department be approached with the direction that a 6% reduction in their budget request was required and they must decide where the reductions would occur. Mr. Champagne stated that it was not fair to require additional reductions from those Departments who had managed to maintain minimal increases. Mr. Belden corrected his proposal to state that the budgets submitted by those Departments requesting only 2-3% increases be approved, and the more drastic decreases be applied to the remaining Departments.

Mr. Tessier disagreed with Mr. Belden's proposal, but noted that he thought all of the Departments had overestimated for fuel costs as the prices for this commodity continued to decrease. Mr. Caimano stated that gasoline costs in 2005 were \$466,461 versus \$335,540 in 2004; an increase of approximately 30%. He continued, stating that there was not such a drastic increase from 2005 to 2006 because the fuel prices primarily remained consistent. Mr. Caimano added that he expected fuel costs to remain consistent from 2006 to 2007 making the increase in fuel costs marginal. Mr. Belden stated that increased fuel costs did not account for the \$7.5 million increase in Departmental requests and further steps needed to be taken to reduce the budget. Mr. Caimano agreed with Mr. Belden's statement.

Discussion ensued with respect to gasoline costs.

Mr. Champagne referred to the handout included in the agenda listing personnel requests and stated that there were many requests to increase salaries and for additional staff; he asked if these were necessary. Mr. Caimano replied that the increases and additions listed were not included in the Departmental requests, and those deemed unnecessary had already been pared down by himself and Mrs. Parsons.

Mr. Stec asked if all energy costs should be estimated at the same 10% increase as gasoline and Mr. Caimano replied that he felt a 10% increase was exorbitant. Mr. Caimano added that this was his best guess and he had no way of estimating actual energy costs for 2007.

General discussion ensued.

Returning to the topic of personnel requests, Mr. Caimano stated that the Personnel Committee had stated many times that a Director of Human Resources must be hired and that position accounted for \$50,000 of the total listed. He added that the County Clerk had requested several reclassifications which would be covered by increases to a very conservative revenue. Mr. Caimano apprised that several of the requests listed would not be approved as requested, but by the same token some were absolutely necessary.

Mr. Caimano stated that it was imperative that correspondence be forwarded to all Department Heads asking that they attempt to reduce their budget requests; he noted that the sole purpose of the meeting was to discuss the letter presented. Mr. Belden agreed that action must be taken and he noted that if the Department Heads were given the opportunity to decrease their own budgets more savings might be obtained.

Mr. Belden asked what the total of the personnel requests were and Mr. Caimano advised that they were approximately \$120,000. Mr. Gabriels noted that the letter should include mention of the fact that there was a \$7.5 million increase in budget requests, not including personnel requests.

Mr. Caimano asked the Committee members if a 6% budget cut should be applied across the board, or should varying percentages be applied to each department based on the amount of their budget request. Mr. Champagne suggested that the Chairman of each Committee meet with the respective Department Head to reduce the budget reasonably, varying the percentage of deduction based on the request.

Mrs. Parsons suggested that, although it would be time consuming, the budgeting process should begin again to reduce the requests made by each Department for a more feasible budget. Mr. Caimano said that the reductions had to be made by each Department respectively because only they knew what areas could be safely reduced.

Mr. Stec stated that he did not think the 6% cut across the board would be appropriate because there were several Departments that kept a lean budget to begin with and may not have areas to cut that much from. He asked if it was possible to receive a Departmental comparison of increases to tailor the letter to account for a specific decrease for each Department. Mr. Caimano noted that was possible and it was his second option for budget reduction.

Mr. Kenny said that he approved of Mr. Caimano's letter but he felt that it should be much stronger and include the possibility of lay-offs if the budget could not be reduced. He added that these increases in the Departmental requests should have been questioned in the individual Committee meetings, rather than passing them directly to the Budget Officer.

Discussion ensued.

Mr. Kenny suggested that a recommendation be made to the full Board to institute a hiring freeze. He added that a recommendation should also be made to the Personnel Committee to allow salary changes only in budget requests and at no other time during the year. Mr. O'Connor agreed with these suggestions and stated that he has always been in favor of restricting salary changes in this manner.

Mr. Stec asked what was projected for sales tax revenue in 2007 versus 2006 and Rick Murphy, Deputy Commissioner of Administrative and Fiscal Services, explained that the 2006 revenue was \$42 million and for 2007 \$39.3 million had been estimated. Mrs. Parsons noted that for the third quarter of 2006 the sales tax revenue had only increased by \$165,000. Mr. Stec asked why the estimated revenue for 2007 was less than what was received in 2006 and Mrs. Parsons replied that they were trying to be conservative because if the number was overestimated the Towns would have to pay the difference between what was estimated and what was actually received.

Mr. Gabriels asked if the accounting system in place was capable of comparing the budget performance report and line items requested by each Department and Mrs. Parsons replied affirmatively. She noted that all budget requests were received in that format.

Mr. Tessier asked how the \$7.5 million Departmental increase reflected on the assessed valuation within Warren County. Mrs. Parsons advised that she did not have the exact figures for this yet, but noted that historically there had been between \$800,000 and \$1 million that could be absorbed by growth and assessed valuations.

Mr. Belden suggested that the letter should be forwarded to each Department Head giving them one week to respond with reduced budget requests. Mr. Caimano noted that this was addressed in the letter, but noted that a suggestion to discuss possible areas for reduction with their Committee Chairman should be added.

Mr. Kenny suggested that a lengthy meeting should be scheduled to go through each budget line by line to make the necessary reductions. Mr. Stec supported the letter drafted by Mr. Caimano and Mrs. Parsons which would allow each respective Department to make budget cuts they felt would be appropriate. He added that rather than using a percentage, a dollar amount should be assigned to each Department for reduction. Mr. Champagne questioned how the dollar amount would be determined for each Department and Mr. Caimano replied that the process would be subjective. He added that budgets which returned revenue and had requested a reasonable increase, such as the DMV, would not be required to cut their budget; whereas larger budgets, such as the Department of Social Services, might be asked to find a much larger amount for reduction.

Mr. Champagne stated that no Department should be exempt from budget cuts. He said that even a Department with only a 2% increase may be able to decrease their budget in some areas.

Mr. VanNess noted that a significant factor in the Departmental increases was the inclusion of sick leave, holiday pay and overtime costs, which were not previously included. Mr. Caimano noted that these factors were not included in the \$7.5 million increase and budget reduction was necessary to allow for these costs. Mr. VanNess stated that there was no way the budget could be reduced to match the one approved in 2006; he added that the budget would be up regardless of the action taken.

Discussion ensued with respect to this matter.

Sheriff Cleveland apprised the Committee that he had been able to make \$250,000 in reductions to his budget by meeting with the Chairman of his Committee and the Budget Officer to discuss his budget request. He suggested that all of the various Departments do the same to see what could be reduced in their respective requests. Mr. Caimano said he was in support of this idea.

Mr. Stec asked what the total appropriations for 2007 would be and Mr. Caimano advised that \$134,219,633 had been requested as compared to \$112,700,000 in 2006. Mr. Tessier asked how much of this amount had been raised by taxes and Mrs. Parsons supplied a figure of \$29,533,000. Mr. Stec asked how the appropriations had increased so drastically and Mrs. Parsons advised that the bulk of the increase was due to the inclusion of the Town's share of the sales tax in the budget. She said that to get a true picture of the status, the Town share of sales tax should be removed from the figure, leaving \$116,000,000 for 2007 versus \$112,700,000 for 2006. Mrs. Parsons added that the appropriations were up while revenues were down approximately \$2 million.

Discussion ensued.

Harold Robillard entered the meeting at 2:25 p.m.

Mrs. Parsons volunteered to personally contact each Department Head to discuss their budget and see what cuts and changes could be made. She added that if she could not make the budget work another meeting of the Committee would be required to further discuss the situation. Mrs. Parsons asked that the Chairman of each Committee contact the respective Department Heads to discuss the matter also.

Mr. Champagne suggested that a motion be made to refuse all requests for salary increases, aside from the standard 3% guaranteed by Union negotiations; he added that the Personnel Committee should not even entertain requests of this type.

Discussion ensued with respect to Mr. Champagne's suggestion.

Mr. Tessier suggested that the list of personnel requests be considered, but possibly reducing the amounts listed. He added that in the future, requests for salary increases and changes should be entertained only during the budget process and not during the rest

of the year.

Mr. Kenny stated that some of the reclassifications included in the personnel requests had already been approved in Union negotiations and must be honored.

Sheriff Cleveland reminded the Committee that three years ago he had addressed the Committee with respect to salary increases. He said that the situation had been appeased in the form of a resolution guaranteeing his staff salary increases in the range of 2.1% to 2.8% over three years. The funds for these increases were already included in the budget, he stated. Sheriff Cleveland suggested that the same steps be taken for all non-union staff; he noted that in the past seven years, he had never approached the Committee with requests for additional reclassifications or new positions.

Motion was made by Mr. Champagne, seconded by Mr. O'Connor and carried unanimously to request that salary increases for County employees be considered during the budget process only and no longer considered during the course of the year by any Committee and to refer same to both the Finance and Personnel Committees.

Mr. Caimano stated that the list of personnel requests would be considered and adjusted because they had been presented with budget requests and were in keeping with the motion made by Mr. Champagne.

Mr. Caimano reiterated Mrs. Parsons offer to contact each of the Department Heads to speak with them with respect to decreasing their budget. He requested that each of the Supervisors serving as Committee Chairman speak to their respective Department Heads with regard to the matter.

Mr. O'Connor asked if a specific percentage decrease was to be expected from each Department or would each budget be reviewed to see where the most could be cut. Mrs. Parsons replied that she had intended to review each Departments budget performance reports and speak with them about their expenditures for 2006 based on their 2007 request. She said during the reviews she would try to gain the highest percentage possible from each Department but would return to the Committee with her findings for their approval. Mr. Gabriels agreed with Mrs. Parsons' plan and Mr. Belden suggested that the Chairman of each Committee be present with Mrs. Parsons to aid in making reduction decisions.

Discussion ensued.

Mr. Caimano thanked everyone present for their participation in the meeting and added that the budget reduction process was something that needed to be practiced all year long by everyone involved rather than just once a year.

As there was no further business to come before the Committee, on motion made by Mr.

Belden and seconded by Mr. Champagne, Mr. Caimano adjourned the meeting at 3:00 p.m.

Respectfully Submitted,
Nicole Livingston, Second Deputy Clerk