

WARREN COUNTY BOARD OF SUPERVISORS

COMMITTEE: BUDGET

DATE: APRIL 11 , 2007

COMMITTEE MEMBERS PRESENT:	OTHERS PRESENT:
SUPERVISORS CAIMANO	WILLIAM THOMAS, CHAIRMAN
MONROE	HAL PAYNE, COMMISSIONER OF ADMINISTRATIVE & FISCAL SERVICES
BELDEN	JOANN MCKINSTRY, DEPUTY COMMISSIONER OF ADMINISTRATIVE & FISCAL SERVICES
GABRIELS	PAUL DUSEK, COUNTY ATTORNEY
O'CONNOR	JOAN PARSONS, MANAGEMENT ANALYST
CHAMPAGNE	RICK MURPHY, DEPUTY COMMISSIONER OF FISCAL SERVICES
KENNY	SUPERVISORS GERAGHTY
	MERLINO
	SOKOL
	TESSIER
	F. THOMAS
	NICOLE LIVINGSTON, DEPUTY CLERK
	WILLIAM LAMY, DPW SUPERINTENDENT
	FRANK MOREHOUSE, SUPERINTENDENT OF BUILDINGS
	AMY BARTLETT, FIRST ASSISTANT COUNTY ATTORNEY
	TODD LUNT, HUMAN RESOURCES DIRECTOR
	AMANDA ALLEN, LEGISLATIVE OFFICE SPECIALIST

Mr. Caimano called the meeting of the Budget Committee to order at 1:00 p.m.

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

Copies of the agenda were distributed to the Committee members; *a copy of which is on file with the minutes*. Mr. Caimano advised that agenda item number one pertained to a request to amend the Travel Policy and he asked William Lamy, DPW Superintendent, to address the issue.

Mr. Lamy apprised the Committee that the DSS (Department of Social Services), was currently facing a transportation issue and Robert Phelps, DSS Commissioner, had expressed the need for 20 additional fleet vehicles if his employees were no longer allowed to use personal vehicles for work purposes and receive reimbursement for mileage. Mr. Lamy apprised that Hal Payne, Commissioner of Administrative & Fiscal Services; Frank Morehouse, Superintendent of Buildings; Mr. Phelps and himself had met and discussed various scenarios and costs to alleviate the issue. As a result of this meeting, he stated, a summary had been compiled comparing the total spent by the DSS for Case Worker travel in 2006 to the costs of purchasing 20 vehicles, leasing 20 vehicles under State contract

prices and leasing 20 vehicles from Enterprise.

Mr. Lamy briefly reviewed the summary, *a copy of which is on file with the minutes*, explaining that in 2006 approximately \$78,454 in mileage reimbursement costs had accumulated from the DSS Case Workers' use of personal vehicles for work purposes. He noted that depending on the reason for travel, these costs received reimbursement through State aid and a conservative estimate of 50% State aid was used in determining travel costs, leaving a total County cost of \$39,227, based on a total of 176,301 miles driven. The next scenario, Mr. Lamy apprised, was the purchase of 20 cars by the County under State contract, comparable to those driven by the Health Department Nurses, at a cost of approximately \$11,000 per vehicle. He said that insurance, maintenance, fuel and miscellaneous costs over the estimated eight-year life span of the vehicle and an anticipated interest rate of 8% for the purchase had been added to this cost, less salvage value, to determine a total annual cost of \$70,030 for the 20 vehicles. When applied, the 50% State aid reduced the total County cost to \$35,015 annually. Moving to the leasing options listed, Mr. Lamy explained that the lease of 20 vehicles under State contract prices, including insurance, maintenance and gas costs would total \$99,919 and with 50% aid applied the total cost to the County would be \$49,959. Comparatively, Mr. Lamy apprised, the cost of 20 vehicles leased from Enterprise, accounting for the same maintenance and fuel costs, would total \$192,580 with 50% aid reducing the total County cost to \$96,290.

Mr. Lamy noted that one of the costs not accounted for in the purchase option was the time and effort of staff to transport the vehicles to the Warrensburg DPW shop for maintenance, nor the costs for major repairs or damage to the vehicles. He said that depending upon where the new Health and Human Services Building was located, there might also be parking issues in storing the additional vehicles, exacerbating the problems anticipated. By locating the newly purchased vehicles at the Municipal Center, costs would be incurred to ferry employees between the Municipal Center and the DSS building, Mr. Lamy stated. He said that although it was difficult to place a dollar value on these issues they were relevant nonetheless.

The recommendation listed at the end of the summary, Mr. Lamy apprised, suggested that the DSS employees be allowed to continue the use of their personal vehicles for work purposes, receiving mileage reimbursement from the County and making two fleet vehicles available for the Department's use for longer trips to reduce the amount of mileage reimbursement. He noted that, if approved, this action would require an amendment to the Travel Policy which did not currently allow for the use of personal vehicles for work related activities.

Mr. Kenny noted that the mileage reimbursement was intended to cover the costs of gas, oil and insurance on a per mile basis; he added that anyone receiving mileage reimbursement from the County should be reporting the work use to their automobile insurance carrier. Mr. Kenny apprised that in his previous occupation he had witnessed a similar situation wherein an employee had been involved in an accident while performing duties on behalf of his employer and the insurance claim was denied due to the fact that he had not reported the exposure to the automobile insurance

carrier. He stated that a grievance had been filed with the Union the gentleman was a member of, as personal vehicle use was not a condition of employment, and the issue was upheld at arbitration. Mr. Kenny suggested that it might be worthwhile to contact the CSEA (Civil Service Employment Association) and question the legality of the matter, should a similar event occur.

Hal Payne, Commissioner of Administrative & Fiscal Services, apprised that he had addressed this issue with Mr. Phelps because he was concerned with the liability of a DSS Caseworker transporting children in their personal vehicles. He said Mr. Phelps had advised that he would speak with Paul Dusek, County Attorney, about the issue; however, Mr. Phelps had noted that it was a condition of employment for DSS Caseworkers to use their personal vehicles for work purposes.

Mr. Kenny stated that in light of the fact there was no issue, it would be the responsibility of the employee to report the work related use to their insurance carrier.

Mr. Belden noted that in reviewing the analysis prepared by Mr. Lamy, the most economically sensible option would be to proceed as recommended by Mr. Lamy, allowing the DSS employees to continue the use of their personal vehicles and amending the Travel Policy to allow for such. He added that this option was also favorable as employees would be more likely to care for their own vehicles better than a County-owned fleet vehicle.

Discussion ensued with respect to the matter.

Mr. Caimano noted that at the County Facilities meeting, from which this issue was referred, Mr. Phelps had mentioned a mileage point at which it was less costly for the County to institute the use of a fleet vehicle than to reimburse mileage and he asked Mr. Lamy if he felt this limit should be included in the Travel Policy amendment. Mr. Lamy replied that he did not feel a limit would be prudent as it would fluctuate depending on fuel and maintenance fees which changed constantly. However, he noted, Mr. Phelps was aware of the factor and would maximize the use of fleet vehicles for longer trips in order to reduce costs to the County. He added that Mr. Phelps had suggested the purchase of two fleet vehicles be included in his 2008 Budget to further alleviate the problem.

Motion was made by Mr. Belden, seconded by Mr. Kenny and carried unanimously to authorize an amendment to the Travel Policy to allow DSS employees to use their personal vehicles for work related travel, receiving mileage reimbursement from the County, and continuing to utilize fleet vehicles as much as possible given the operation of the Department, and the necessary resolution was authorized for the April 20th Board meeting.

Mr. Belden asked if any action was needed with respect to Mr. Phelps' feeling that additional vehicles were required and Mr. Caimano replied that the Committee did not have enough information to make such determination and the Social Services Committee should address the issue if they felt it was necessary.

Mr. Belden noted that there was a County nurse who resided in the Town of Hague using a County vehicle to travel from her home to the Queensbury area while another traveling nurse serviced the Towns of Hague, Horicon and Chester. He said that in his estimation, over 100 miles per day were accumulated on these vehicles and it seemed that a better routine could be developed for these nurses to service areas more sensibly, reducing the daily travel. Mr. Payne advised that he would investigate the matter and return with his findings.

Mr. O'Connor apprised that his personal automobile insurance included a clause for business usage as he received mileage reimbursement from the County and he suggested that any employee utilizing a personal vehicle for County business be required to carry it also. Mr. Caimano disagreed, stating that the vehicles were not technically used for business purposes as these were employees hired by the County with the provision that they must use a personal vehicle for travel.

Mr. Kenny reiterated that it was the responsibility of the employee to notify their personal insurance carrier of their vehicle usage and Mr. Belden agreed. Mr. Caimano noted that Mr. Dusek should be consulted on the matter to determine the proper insurance procedure.

Discussion ensued.

Moving to the second agenda item, Mr. Caimano stated that a new budgeting philosophy had been established for the 2007 and 2008 Budgets. He said that he and Mr. Payne, with assistance from Rick Murphy, Deputy Commissioner of Fiscal Services, had set a new goal of containing the amount to be raised by taxes in the 2008 Budget to a maximum of 3%, which was about \$1 million. In connection with this goal, Mr. Caimano said that he had instructed Mr. Payne to forward a letter to all Department Heads advising of the limit and instructing them to maintain costs accordingly. He said that the issue would be discussed further at the upcoming Department Head meeting.

Mr. Caimano stated that in addition to other costs, the purchase of property in Lake George and upcoming union contracts had to be budgeted for 2008, although, he said, he was trying desperately not to carry the interest for the bonding of the proposed Health and Human Services Building in the 2008 Budget. He suggested that a plan be developed for future budgets so that all were kept in consideration rather than just the current years. Mr. Caimano apprised that the 2006 books were just about to be closed and only a \$6 to \$7 million surplus would be available as opposed to the \$13 million that was normally available. He said that it made sense to come up with some means to consider future budgets when determining the current budget.

In addition, Mr. Caimano advised that there were positions to be filled that might require higher salaries than they currently held and those issues needed to be reviewed to be sure that the position's salary was adequate. He said that one solution might be to consider reducing staff in the future to replace those positions with better qualified personnel. Mr. Caimano stated that taxes could be raised to cover costs; however, it was the Committee's job to reduce expenses to avoid such increases. He noted that New York State hampered the Budgeting process as they tended to overspend and place the financial burden on its Counties. Mr. Caimano said that the process would not get any easier but there were ways to work around the situation and one of those was to be diligent in

planning for the future. He apprised that he had asked Mr. Murphy and Mr. Payne to ponder this suggestion to devise an acceptable game plan for future budgets and he asked the Committee to do the same.

Mr. Caimano stated that the State Budget had been approved and copies forwarded to each Department head. He apprised that each Committee would have to review the State Budget to determine which areas of funding affecting their respective Department, had been removed from the Budget to notify the Budget Committee. Mr. Caimano noted that if revenues to a particular Department were reduced, expenses for that area would have to be decreased also. He said that this issue would also be discussed at the next Department Head meeting.

Mr. W. Thomas entered the meeting at 1:28 p.m.

Included in the agenda, Mr. Caimano apprised, was a copy of the Mandated Expenses Report, developed by JoAnn McKinstry, Deputy Commissioner of Administrative & Fiscal Services, at his request. Mr. Caimano stated that in reviewing the report, one would see that 79% of the Budget was either mandated by the State and Federal Governments or dictated because a program or contract existed.

Joan Parsons, Management Analyst, noted that although expenses could be reduced in mandated areas, it was important to know where the revenues from these programs were so that they could be reduced accordingly. For example, she apprised, if \$100 in expenses were cut from a mandated Social Services program which received 75% reimbursement, a net savings of only \$25 would be realized.

Mrs. Parsons stated that in light of this fact it was very important to get the input of each Department to account for reimbursement available on each expense prior to making determinations for cutbacks.

Mr. Caimano suggested that each of the Committee members review the Mandated Expense Reports with each of their respective Committees to make the determinations referenced by Mrs. Parsons.

Discussion ensued.

With respect to Mr. Caimano's suggestion that the Committee determine a plan for the future, Mr. Kenny asked if the financial impact to the County for renovations to the Court System was known. Mr. Caimano replied that as of that moment there would be no impact, to his knowledge, as the County had no obligations to make renovations to the Court System. Mrs. Parsons added that they had extracted approximately \$65,000 in architectural fees relating to the Court System's proposals for expansion, and forwarded them to the Courts for reimbursement, as they had indicated that there was \$100,000 available in their 2006 Budget to cover such fees. She said that she was not aware if any such reimbursement had been received; however, the amount available was insignificant compared to the costs estimated for the expansion needs indicated.

Mr. Kenny asked about the remaining costs of the County Share of the Exit 18 project and Mr. Caimano replied that he thought the County share had been paid in full. Mr. Belden stated that he did not think that it was and Mrs. Parsons apprised that an amount was budgeted each year based on the progression of the project. Mr. Belden reminded the Committee that the project costs had been estimated five years prior, at the start of the project, and those costs had definitely increased.

Mr. Monroe pointed out that the Mandated Expenses Report was a little misleading, specifically under the Program/Contracts heading where it listed \$5,300,567 for Sheriff's Law Enforcement. He noted that this was a short-term contract which was not mandated and Mr. Caimano expounded that these were not short-term contracts as they would be renewed in the next term; however, he added the County had the option of not renewing the contract and eliminating the Sheriff's road patrol. Mr. Monroe suggested that the report be broken down to reflect the length of the existing contracts to determine which were necessary and which could be reduced upon expiration.

Discussion ensued.

Mr. Dusek entered the meeting at 1:40 p.m.

Mr. Caimano stated that the budget requests should be reduced at the Committee level, prior to forwarding them to the Budget Committee for review. Mr. O'Connor noted that, unfortunately, the Committees were in the habit of quickly reviewing the budget requests and moving them on to the Budget Officer when they should be making extensive cuts at the Committee level. Mr. O'Connor stated that although extensive cuts were needed to maintain the budget, would the Committee have the guts to do it and would the public stand for it. Mr. O'Connor hypothesized that if the public were left to make decisions people who flew airplanes would be happy to see the Westmount Health Facility closed and those constituents with parents at Westmount would be equally willing to close the Airport.

Mr. Caimano asked if the next joint meeting of the Ad-Hoc Sales Tax and Budget Committees had been scheduled and Mr. Monroe replied that it had not. Mr. Caimano stated that it might be helpful to schedule the meeting so that it could be attended by the public for their input. He said that the public needed to become interested in the matter to see the process and give their opinion of what was necessary and what was not.

Mr. Monroe asked when he might expect a revised copy of the Mandated Expense Report showing a breakdown of the length of contracts held and Mr. Payne replied that Mrs. McKinstry would have to contact each Department Head to gain such information and they would make their best effort to provide the report on the following Monday. Mr. Monroe apprised that a date for the joint meeting would be set upon review of the revised report.

Agreeing with Mr. Caimano's suggestion, Mr. O'Connor stated that a public meeting should be held to disseminate exactly what was in the Budget and what could be cut in order to get the public's opinion.

Mr. Champagne stated that in order to rationalize and plan for future Budgets a spreadsheet identifying past costs and growth by specific code and justification of costs, as well as plans for the next three years, should be required with the Committee Chairman's signature. He said that this might assist in making the tough budget decisions and Mr. Caimano agreed. Mr. Caimano added that he, Mr. Payne and Mrs. McKinstry would meet to further discuss long term budget goals and this suggestion would be reviewed.

Discussion ensued.

Mrs. Parsons asked what the cut-off date for submission of State legislation was and Mr. Dusek replied that it was April 23rd. He explained that the deadline to submit unlimited bills deadline had been set and after that time it was not impossible to submit bills, but it was very difficult.

Mr. Monroe stated that they should request review of the Court System by their State Legislators as the Courts were run by the State. He questioned why the County should continue to pay to maintain these Courts when they were no longer administered by the County. Mr. Caimano asked Mr. Payne to contact Assemblywoman Sayward and Senator Little with respect to this concern.

Mr. Gabriels asked if totals were available for expenses and revenues through the first quarter of 2007 as compared to those of 2006 and Mr. Murphy apprised that he could provide such information. Mr. Caimano asked Mr. Murphy to forward a copy of the report to each of the Committee members.

With respect to the increase in sales tax, Mr. Gabriels asked if it was possible to place a sunset provision on the increase and Mr. Caimano replied affirmatively. Mr. Kenny stated he had read that if a sales tax increase were imposed by the County, it would have to be renewed each year and Mr. Dusek agreed.

Mr. Caimano apprised that Mrs. Parsons had shared with him a report reflecting the effects of the imposition of County sales tax to reduce the tax rates in the 1960's. He encouraged all of the Supervisors to review this information with Mrs. Parsons as it showed that upon imposing the sales tax the County tax rate had decreased dramatically and to date had not returned to that level.

Discussion ensued.

Returning to the insurance issue discussed earlier in the meeting, Mr. Dusek apprised that the extent of personal automobile coverage carried, as related to the use of a personal vehicle for work related travel, depended upon the insurance carrier. He explained that his personal carrier rated the usage for his vehicle, which he used for County travel, at a higher rate because it was used for business purposes, but without the need for additional coverage. Mr. Dusek noted that if an employee were using a vehicle for County related travel it was their responsibility to report such use to their personal insurance carrier to receive appropriate coverage.

Mr. Caimano asked if a letter should be sent to all County staff stating that if personal vehicles were used for work related travel they should be reporting such use to their Insurance carrier and Mr.

Dusek replied that it would not be a bad idea, especially in the case of employees doing extensive business for the County and those transporting people for County business.

Mr. Belden stated that the Town of Hague had instituted a policy restricting those using, and riding in, Town vehicles to only those employees of the Town and he asked if the County had the same rules in place. Mr. Dusek replied that this stipulation was instituted as part of the County Travel Policy.

Mr. Dusek apprised that he would draft a letter to be signed by Chairman Thomas reinforcing the fact that employees using personal vehicles for work related business should be reporting such use to their personal insurance carrier.

As there was no further business to come before the Budget Committee, on motion made by Mr. Belden and seconded by Mr. Monroe, Mr. Caimano adjourned the meeting at 2:06 p.m.

Respectfully Submitted,
Amanda Allen, Legislative Office Specialist