

WARREN COUNTY BOARD OF SUPERVISORS

COMMITTEE: BUDGET

DATE: OCTOBER 27, 2008

COMMITTEE MEMBERS PRESENT:

SUPERVISORS GERAGHTY  
O'CONNOR  
CHAMPAGNE  
KENNY  
SHEEHAN  
MERLINO

COMMITTEE MEMBER ABSENT:

SUPERVISOR BELDEN

OTHERS PRESENT:

FREDERICK MONROE, CHAIRMAN  
HAL PAYNE, COMMISSIONER OF ADMINISTRATIVE & FISCAL SERVICES  
JOANN MCKINSTRY, DEPUTY COMMISSIONER OF ADMINISTRATIVE &  
FISCAL SERVICES  
RICK MURPHY, DEPUTY COMMISSIONER OF FISCAL SERVICES  
JOAN SADY, CLERK OF THE BOARD  
SUPERVISORS BENTLEY

SOKOL

STEC

STRAINER

TAYLOR

THOMAS

REPRESENTING THE DEPARTMENT OF SOCIAL SERVICES:

SHEILA WEAVER, COMMISSIONER

KATHY BAKER, FISCAL MANAGER

DORIS GONNELLY, PRINCIPAL ACCOUNT CLERK

REPRESENTING THE DEPARTMENT OF PUBLIC HEALTH:

PAT AUER, DIRECTOR

TAWN DRISCOLL, FISCAL MANAGER

TAMMIE DELORENZO, CLINICAL & FISCAL INFORMATICS  
COORDINATOR

TOM RANDALL, *THE ADIRONDACK JOURNAL*

ALYSON MARTIN, *THE POST STAR*

AMANDA ALLEN, SR. LEGISLATIVE OFFICE SPECIALIST

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Mr. Geraghty called the meeting of the Budget Committee to order at 9:00 a.m.

Motion was made by Mr. O'Connor, seconded by Mr. Champagne and carried unanimously to approve the minutes from the September 23, 2008 Committee meeting, subject to correction by the Clerk of the Board.

Mr. Geraghty apprised that the meeting would begin with a review of the items pending from prior Committee meetings. Copies of the pending items were distributed to the Committee and a copy of same is on file with the minutes. The listing was reviewed as follows:

1. Regarding a referral from the Occupancy Tax Committee to determine an annual source of funding for snowmobile clubs, rather than having the funds disbursed from the General Fund, Mr. Kenny apprised that matter had not been addressed. He added that although monies had been included in the 2009 Budget to fund the snowmobile clubs, the amount was 10% less than what was allotted for 2008;
2. Mr. Geraghty advised that the second pending item consisted of a referral from the Public Works Committee in the form of a request to include a 5% increase in the amount budgeted for snow and ice removal services provided to the County by Town forces. He said that the requested amount had been included in the 2009 Budget and the item could be removed from the list of pending items;

3. Moving on to the next pending item, Mr. Geraghty reminded the Committee that during a previous meeting, Mr. Merlino had requested that Sheila Weaver, Commissioner of the Department of Social Services (DSS), determine the total amount of DSS benefits distributed for Temporary Assistance Programs. He noted that Ms. Weaver was in attendance and he asked her to speak on the matter.

Ms. Weaver advised that she had developed a spreadsheet documenting program costs to the County, as well as those that were mandated by the State. Copies of the spreadsheet were distributed to the Committee members and a copy is on file with the minutes. Subsequent to a review of the chart and the ensuing discussion thereon, Mr. Merlino questioned whether all of the costs listed in the chart were monthly totals and Kathy Baker, Fiscal Manager, replied in the negative, noting that some were annual costs. Mr. Merlino stated that the chart did not accurately depict the monthly costs and it was determined that Ms. Weaver should develop a more thorough accounting of program costs, including notations as to the term of the costs, whether they be monthly or annual, for presentation at the next Committee meeting.

4. The request for a chart itemizing DSS program costs was presented and discussed under the previous pending item.
5. Mr. Geraghty advised that the fifth referral item listed pertained to the development of a chart itemizing Public Health program costs and he asked Pat Auer, Director of Public Health, to speak on this item. Mrs. Auer distributed copies of the chart she had developed which reflected that the majority of the services provided by her Department were mandated by the State. A copy of the chart is on file with the minutes.

Mr. Geraghty pointed out that the total appropriations for services provided by the County was \$13.6 million with \$6.1 million being mandated by the State. Mrs. Auer confirmed Mr. Geraghty's observation and noted that subsequent to the receipt of offsetting State and Federal revenues the actual cost to the County was \$588,597. Mr. Geraghty replied that he did not feel that this was an unreasonable figure comparative to the total costs for the services being provided.

6. Concluding the review of referral items, Mr. Geraghty noted that Rick Murphy, Deputy Commissioner of Fiscal Services, was to report on the actual increase in employee health benefit costs for 2009. He asked Mr. Murphy if he was able to comment on the health care coverage issue and Mr. Murphy replied in the negative, noting that he had yet to receive the proper salary schedules to determine the exact costs of fringe benefits for County employees. Mr. Geraghty asked Mr. Murphy if he was confident that the current budget increase figures included sufficient funds to appropriately fund the health insurance increases anticipated for 2009 and Mr. Murphy replied affirmatively.

Mr. Kenny stated that he was aware of shortages in the Health Services Early Intervention Program budget and he asked if this amount had been included in the 2009 Budget. Mr. Geraghty replied in the negative, noting that the \$391,000 shortage incurred was for 2008 and would likely be taken from the General Fund. Hal Payne, Commissioner of Administrative & Fiscal Services, interjected that an additional \$1.4 million had been included in the 2009 budget to avoid a shortage in that year.

Moving on to the Budget review, Mr. Geraghty announced that the current recommendation for the 2009 Budget included a 5.8% increase without any supplement from the General Fund. To illustrate the options available for budget reduction, charts reflecting the Reserved Fund Balance; 2009 Equalization & Apportionment Table with no contribution from the General Fund; 2009 Equalization & Apportionment Table with a \$500,000 contribution from the General Fund and the 2009 Equalization & Apportionment Table with a \$1 million contribution from the

General Fund were distributed to the Committee members. Copies of these documents are also on file with the minutes.

Mr. Kenny questioned if there was a recommended amount that should be retained in the General Fund and Mr. Murphy replied that previous financial reports had recommended that 5% of the County's total operating budget be retained in the General Fund. Mr. Murphy noted that the operating budget for 2008 was approximately \$120 million; therefore, he said, a \$6 million General Fund balance was favorable according to the financial reports. Chairman Monroe stated that before determining whether or not money from the General Fund would be used to subsidize the 2009 Budget, estimates of the 2010 Budget should be considered as shortages and increases for that year would have to be accounted for also. Mr. Geraghty advised that an estimated increase of \$4.7 million was anticipated for the 2010 Budget so far, not including any additional State mandates or reductions in State and Federal funding. Chairman Monroe advised that their objective should be to preserve and rebuild the General Fund as the County's expenses were sure to increase further while revenues would likely be reduced.

Mr. Kenny then inquired as to the status of the County-owned property being advertised for sale and Mr. Payne advised that the bids for the property were scheduled to be opened on November 5, 2008. He added that there was a considerable amount of interest in the property from commercial developers seeking to purchase the property for other builders. When asked if there were estimates as to the value of the properties, Mr. Payne replied in the negative. Mr. Strainer noted that the property located across from the Municipal Center, which was bordered by Gurney Lane and State Route 9, held a value in excess of \$2 million. He said that the property was an excellent example for commercial building as it was located close to Interstate 87, had private access and had the benefit of traffic lights already in place.

Chairman Monroe noted that the proceeds from the sale of the properties should not be anticipated to subsidize the budget, but rather to increase the General Fund balance. Mr. Payne apprised that he had spoken with representatives of the Six Flags Great Escape regarding the sale of the property near the Municipal Center, as well as Schermerhorn Estate Holdings, as both had previously expressed interest in its purchase. He added that the County Attorney's Office had been speaking with representatives of Six Flags regularly regarding the matter.

Mr. Taylor questioned if a decrease in the General Fund balance would affect the County's bond rating and Mr. Murphy replied that it was possible for that to occur. He advised that the County was very close to losing their Class A bond rating which could potentially lead to increases in the interest rates associated with the bonding process.

Mr. Geraghty advised that the 2009 Budget would be affected by a lack of anticipated revenues in the Offices of the Sheriff and the County Clerk. He added that the spreadsheets distributed reflected three possible options for reducing the Budget to an amount acceptable to all Supervisors. Mr. Geraghty noted that the spreadsheets also included the percentage tax rate increase to each Town based on each of the three options.

Mr. Champagne stated that he felt the Budget had been reduced as far as it could be without affecting programs or personnel, measures which might be necessary to receive the approval of the full Board of Supervisors. He said that he did not feel it was appropriate to reduce the Budget with monies from the General Fund in light of the fact that lowering the Fund Balance had the potential to affect the County's bond rating.

Mr. Kenny said that it appeared the Committee was on the cusp of making some very unpopular decisions in reducing programs and personnel in order to reach an acceptable budget amount and if the reductions were not made for the 2009 Budget, they were likely to be made for the 2010 Budget. Mr. Geraghty countered that he felt they were taking steps in the right direction to reduce staffing without cutting positions by working to determine

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if positions were necessary as they were vacated. He said that if they continued in this manner they would be able to reduce staff without layoffs and negatively affecting the County workforce. However, Mr. Geraghty added, further cuts to personnel might have to be made in the future to meet acceptable Budgets.

Mr. Stec reminded the Committee that during a prior meeting he had suggested that the 2009 Budget be reduced by \$2 million to reach an acceptable increase amount. He noted that subsequent to this discussion, the Budget had been reduced by \$1 million and he felt that efforts should be made to find another \$1 million to further subsidize the Budget and reduce the tax increase. Mr. Stec stated that there were options available to make these reductions, although some of them would not be very popular or easy for the Committee. He suggested that they find some big chunks of money within the Budget that could be decreased and he volunteered to assist with the reductions if the Committee desired that he do so. Mr. Stec pointed out that it might be possible to do something with the Airport to reduce the amount funded by the County, as they currently contributed approximately \$800,000 per year and many Warren County residents did not use it. In addition, he said that the Fish Hatchery was another unnecessary service which was being funded by the County.

Mr. Merlino said that he agreed with Mr. Stec's statements and he added his feeling that the County should consider selling its interest in the Gaslight Village Property to the 3E's (environmental groups) as that too was unessential to the County's function.

Extensive discussion ensued with respect to the matter.

Mr. Sheehan stated that he was not comfortable taking \$1 million from the General Fund to reduce the 2009 Budget and he suggested that the Committee schedule another meeting to discuss further reductions. Messrs. Merlino and O'Connor agreed that a second meeting should be scheduled and noted that they would be amenable to using \$500,000 from the General Fund to reduce the 2009 Budget.

It was the consensus of the Committee that another meeting be scheduled for Friday, October 31<sup>st</sup> at 9:30 a.m. to further reduce the 2009 Budget recommendation.

Mr. Geraghty advised that an announcement would be sent to all Department Heads regarding the fact that further reductions would be made to the Budget and he asked anyone with suggestions on the matter to email them to JoAnn McKinstry, Deputy Commissioner of Administrative & Fiscal Services, for review. Mr. Kenny added that all members of the Board of Supervisors should be advised of the meeting and encouraged to attend due to the severity of the situation.

As there was no further business to come before the Budget Committee, on motion made by Mr. Merlino and seconded by Mr. Kenny, Mr. Geraghty adjourned the meeting at 10:24 a.m.

Respectfully submitted,  
Amanda Allen, Sr. Legislative Office Specialist