

WARREN COUNTY BOARD OF SUPERVISORS

COMMITTEE: BUDGET

DATE: APRIL 8, 2009

COMMITTEE MEMBERS PRESENT:

SUPERVISORS GERAGHTY
O'CONNOR
CHAMPAGNE
KENNY
SHEEHAN
MERLINO
TAYLOR
STEC

OTHERS PRESENT:

FREDERICK MONROE, CHAIRMAN OF THE BOARD OF SUPERVISORS
PAUL DUSEK, COUNTY ATTORNEY
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 PITKIN
THOMAS
VANNESS
SOKOL
STRAINER
TODD LUNT, DIRECTOR OF HUMAN RESOURCES
THOM RANDALL, *THE ADIRONDACK JOURNAL*
ALYSON MARTIN, *THE POST STAR*
AMANDA ALLEN, SR. LEGISLATIVE OFFICE SPECIALIST

COMMITTEE MEMBER ABSENT:

SUPERVISOR BELDEN

Mr. Geraghty called the meeting of the Budget Committee to order at 11:00 a.m.

Motion was made by Mr. Champagne, seconded by Mr. Taylor and carried unanimously to approve the minutes from the March 11, 2009 Committee meeting, subject to correction by the Clerk of the Board.

The meeting agenda was distributed to the Committee members, a copy of which is on file with the minutes.

Mr. Geraghty announced that Rick Murphy, Deputy Commissioner of Fiscal Services, was in attendance to discuss projected increases to the 2010 Budget, all of which were appropriations that could not be reduced due to signed contracts or other factors. Written documentation of this information was included in the agenda as follows:

Health Insurance	\$ 450,000
Retirement	1,400,000
Waste Management	2,200,000
Contract Settlements	1,100,000
Debt	1,200,000
Total	6,350,000 (17.60% Increase)

Mr. Murphy advised that the Health Insurance figure was derived from differences between the 2008 and 2009 Budgets, which was a \$450,000 increase. He stated that this was simply an estimate of the anticipated cost which could fluctuate based on the actual cost received from the insurance carrier. As for the Retirement figure, Mr. Murphy apprised that the projected rates for the year ending 2011 were scheduled to increase by 66%. He noted that at the end of 2008 the County paid slightly less than \$3.1 million for their share of retirement costs and based upon the projected rates, he estimated that an additional \$1.4 million in retirement expenses would be incurred at the end of 2009.

Proceeding to Waste Management, Mr. Murphy advised that Steve Lynch, Solid Waste Coordinator, had recently expressed his concerns that there would be a shortfall of approximately \$320,000 in the 2009 Budget. He said that he had used the same 2009 budgetary figures in the 2010 Budget to represent the difference between the amount previously used in appropriated surplus and the \$320,000 shortfall which would amount to a \$2.2 million increase on the Budget.

Mr. Champagne questioned how the \$2.2 million increase was derived from the \$320,000 shortfall and Mr. Murphy replied that \$1.6 million had been appropriated from the Surplus Fund balance for the 2009 Budget and there had been a \$200,000 deficit for 2008; he added that these three figures combined to reach the \$2.2 million figure. Mr. Murphy noted that the deficit in Fund Balance was based upon decreases in the sale of electricity as at the time the budget was developed the price of electricity was much higher than it was currently. Mr. Champagne stated that there was a reduction in the amount of trash received at the Waste Management facility also, which attributed to the shortfall. He noted that there had previously been some discussion respective to dividing the 2011 fund balance between the 2010 and 2011 fiscal year to lessen the impact to the County budget and he suggested that the issue be revisited for further consideration. Hal Payne, Commissioner of Administrative & Fiscal Services, advised that as per Mr. Lynch, the fund balance could not be divided because there were several involved parties that had to give their consent on the matter and the bond insurer had refused to do so.

Mr. Murphy stated that the \$1.1 million Contract Settlements figure was based upon settlements with the PBA (Police Benevolent Association), the SEA (Sheriff's Employees Alliance) and the CSEA unions including an estimate of what the additional amount in the 2010 Budget would be, including benefits. The last item, he said, was Debt, which related to the Human Services Building Project, as well as the DPW equipment BANs and bonds which would add a \$1.2 million increase to the 2010 Budget. Mr. Murphy advised that due to the current position of the New York State budget, they had yet to receive any information with respect to caps for the Medicaid or health insurance benefits for 2009 and there was no guarantee that they would receive them in a timely fashion for 2010.

Mr. Geraghty thanked Mr. Murphy for his report and announced that the next agenda item pertained to the budget guidelines; he then questioned whether any of the Committee members had suggestions for additions or changes to the guidelines. Chairman Monroe noted that some Supervisors were interested in exploring the possibility of re-opening the labor contracts for renegotiation and Mr. Payne noted that this matter could not be discussed during open session.

Motion was made by Mr. Champagne, seconded by Mr. Kenny and carried unanimously to declare executive session to discuss collective negotiations pursuant to Section 105(e) of the Public Officer's Law.

Executive session was held from 11:15 a.m. to 12:07 p.m.

Upon reconvening, motion was made by Mr. Stec to eliminate all longevity pay for non-union employees and elected officials in the 2010 Budget.

Mr. Kenny stated that his understanding of the discussion held during executive session was that accumulated longevity pay would be retained but no additional longevity would be paid for 2010 and Mr. O'Connor stated that this was his understanding also.

Mr. Stec withdrew his motion as there was no second.

Motion was made by Mr. Taylor, seconded by Mr. Champagne and carried unanimously to institute a zero percent

departmental budget increase and to eliminate all longevity pay increases for non-union employees and elected officials for the 2010 Budget year.

Resuming the agenda review Mr. Geraghty addressed the listing of items pending from prior Budget Committee meetings which were outlined as follows:

1. With respect to 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 advised that this item had been discussed previously and no action had been taken. JoAnn McKinstry, Deputy Commissioner of Administrative & Fiscal Services, apprised that the item had been discussed by the Budget Committee during the prior year and the issue had not been resolved; therefore, she said, the item continued to be carried on the pending items list. She added that if the Committee was in agreement, the item could be removed from the list and Mr. Geraghty advised that the item should be deleted;
2. Mr. Payne said that he had yet to receive all of the Departmental lists reflecting the programs offered by each and the manner in which they were funded;
3. A total of \$2.1 million had been spent in 2008 for architect and engineering services, Mr. Payne stated. He noted that a portion of the amount was attributed to the accumulated costs of studies on the Human Services Building over a three-year period which were paid during the 2008 fiscal year. Mr. Kenny asked if the engineering fees assessed were typically based on a percentage of the total project and Mr. Payne replied that he was unsure as to how they were assessed. William Lamy, Superintendent of Public Works, apprised that engineering fees for bridge and highway projects were based on the scope of services, the number of hours required to complete the engineering work and the agreed upon hourly fee; he added that a contract including all of these factors was subsequently developed. Mr. VanNess questioned how much of the \$2.1 million total was funded by grant monies and Mr. Lamy advised that although he was not prepared to answer this question, he noted that in many cases they were receiving 95% reimbursement for bridge and highway project costs. Chairman Monroe pointed out that there were some projects, such as the ACC (Adirondack Community College) expansion project, wherein the architect's fee was 10% of the project costs. He said that at the Town level they had resisted any contracts including these clauses as it served as an incentive for the architect to drive construction costs up. Chairman Monroe added that he felt they should resist these types of contracts at the County level and should encourage other affiliated groups, such as ACC, to do so as well;
4. Mr. Payne announced that a report on grant funded positions had been developed and was emailed to all of the Supervisors. He added that there were approximately eight to ten positions in place which were grant funded and were to be terminated when funding ceased. Mr. Payne noted that the Planning & Community Development Department received 16% grant funding for salaries through grant administration. Mr. Pitkin stated that he had reviewed the email forwarded by Mr. Payne and had noted that there were positions in existence that had begun as grant funded positions but were retained when the grant funding ceased and asked what would happen to these positions. Mr. Payne advised that over the years some positions were created with the intention to eliminate them when grant funding was no longer available; however, he said, they had been deemed necessary and the Board of Supervisors had made the decision to retain and fund them at the County level. Mr. Geraghty pointed out that any current positions created through the use of grant funding were now to be eliminated when grant funding was no longer available, as per the resolution recently approved by the Board of Supervisors. Mr. VanNess added that all employees filling grant funded positions were hired with the understanding that their position was not permanent and would be abolished when grant funding ceased.

Discussion ensued.

Mr. Geraghty noted that the agenda included a listing of the 2010 Budget Guidelines and he asked the Committee if they were in favor of them, noting that they would have to be adopted by resolution.

Motion was made by Mr. Champagne, seconded by Mr. Kenny and carried unanimously to approve the 2010 Budget Guidelines as presented and allowing for changes thereto in the future and the necessary resolution was authorized for the April 17th Board meeting.

Mr. Kenny stated that he was pleased that the Committee was beginning the budget process earlier and was doing more research than they had in previous years, allowing for the Committee to be more involved in the budget process. He said that in fairness to the Budget Officer and those that assisted him in developing a timely budget, he felt they should discuss any items suggested for reduction or removal from the budget early in the year because the decision making process was very lengthy in that it required the approval of both the Committee and the Board of Supervisors. Mr. Geraghty added that when requesting information from Department Heads a specific time table should be given so that the process proceeded accordingly; he said that it was his interpretation of guidelines used in other Counties that if the Department Head met all of the time table requirements they did not have to sit with the full Committee to work on their budget in a group session. Mr. Geraghty then suggested that Mr. Payne forward notification to all Department Heads that their initial submissions should be made no later than May 15th in order to set up informal meetings to discuss budgetary issues in early June. He added that they would require as much time as possible to finalize the budget as it was going to be a tough year in terms of finances for the County.

Mr. Geraghty thanked the Committee for their participation and questioned if they were agreeable to holding monthly Budget Committee meetings following the Personnel and Finance Committees. Mr. Champagne stated that he was in favor of holding the monthly meeting on the same day as the Personnel and Finance Committee meetings, but preferred that the Budget Committee meet first. As the rest of the Committee was in agreement, Mr. Geraghty announced that henceforth the Budget Committee meeting would be held monthly at 9:00 a.m. preceding the meetings of the Personnel and Finance Committees.

As there was no further business to come before the Budget Committee, on motion made by Mr. Belden and seconded by Mr. Kenny, Mr. Geraghty adjourned the meeting at 12:20 p.m.

Respectfully submitted,
Amanda Allen, Sr. Legislative Office Specialist