

WARREN COUNTY BOARD OF SUPERVISORS

COMMITTEE: **BUDGET**

DATE: **JUNE 28, 2012**

Committee Members Present:

Supervisors Geraghty
Taylor
Kenny
Merlino
Conover
Monroe
Mason
Westcott

Others Present:

Paul Dusek, County Administrator
JoAnn McKinstry, Assistant to Administrator
Joan Sady, Clerk of the Board
Supervisor Frasier
Supervisor Strainer
Supervisor Thomas
Supervisor Wood
Mike Swan, County Treasurer
Don Lehman, *The Post Star*
Thom Randall, *Adirondack Journal*
Nicole Livingston, Second Deputy Clerk

Committee Member Absent:

Supervisor Girard

Mr. Geraghty called the meeting of the Budget Committee to order at 11:34 a.m.

Motion was made by Mr. Kenny, seconded by Mr. Mason and carried unanimously to approve the minutes of the June 14, 2012 Committee meeting, subject to correction by the Clerk of the Board.

Copies of the Budget Agenda were provided to the Committee members, and a copy of same is on file with the minutes.

Mr. Geraghty recalled that at the previous meeting, a Technology Replacement Plan was presented for the purchase of new computers throughout County departments. He announced there was a \$24,000 balance remaining in Capital Project No. H108.9550 280 Computerization Effort and he recommended said balance be utilized in conjunction with a transfer from the Contingent Fund in the amount of \$36,000, for a total of \$60,000 in order to commence the project this year.

Motion was made by Mr. Taylor and seconded by Mr. Conover to approve the request as presented.

Paul Dusek, County Administrator, reminded the Committee members of the issue with the Windows program ending in 2014 and added that the County also had a large number of old computers. He noted that the Information Technology (IT) Department had advised that they could only begin the project this year, due to other ongoing projects and limited personnel; however, he said, this would at least get the project going at a minimum cost to the County. He added that it would also provide the opportunity to look at the long range plan as discussed at the last meeting.

Mr. Mason apprised he would like to review a plan for the average life of the computers, as well as fleet vehicles, and Mr. Dusek responded that information was included in the packets that were distributed at the last Budget Committee meeting. Mr. Dusek clarified the information included in the packets was the general financial plan and he could provide more detailed information on the replacement plans if desired. With regard to the Vehicle Replacement Plan, he continued, it assumed a vehicle life in Warren County of ten years. Mr. Dusek expounded ten years seemed to be reasonable except in the case of the Sheriff's vehicles because of the emergency demands; and therefore it was recommended five vehicles be replaced each year.

With regard to the computer document previously provided, Mr. Dusek remarked that it was generated by the IT Department to address the upcoming Windows issue, and they had developed an entire comprehensive plan to phase in the replacements and to bring the County up to a reasonable position with the computers. He stated that the criteria involved in the replacement plan included providing the high powered computer users, such as Nurses, the new machines first and to pass down the older machines to those that had less demanding tasks, for example those that did word processing. He complimented the IT Department on the thorough study they had performed.

Mr. Westcott questioned if an intermunicipal agreement had been considered for the procurement of items with other counties, given the significant capital expenditure for these purchase, such as the computers and associated software. Mr. Dusek replied the priority would be to review all possible purchasing strategies that were available to maximize the savings to the County. Mr. Monroe referred to the benefit of substantially lower costs when purchasing vehicles or heavy equipment through State contract, and he wondered if it would make sense to utilize that avenue for the purchase of vehicles and to sell them in a relatively short period of time. Mr. Dusek responded that concept had not been reviewed and may be feasible for certain types of equipment; however, he said, given the type of vehicles that the County purchased, it would be better to keep them for ten years in order to maximize the value of them.

Following discussions, Mr. Geraghty called the question and the motion was carried unanimously to approve the request to commence the Technology Replacement Plan, utilizing \$24,000 remaining in Capital Project No. H108.9550 280 Computerization Effort and requesting a Contingent Fund transfer in the amount of \$36,000; and to forward the same to the Finance Committee.

Mr. Geraghty advised the next item was a response from Mr. Dusek to inquiries received from Mr. Westcott in connection with the presentation at the last Budget Committee meeting.

Mr. Dusek listed the questions and provided the following responses:

- With regard to a polling of Department Heads and Committees for recommendations on cost savings in the departments, Mr. Dusek explained that

when he became the County Administrator he had met with the Department Heads and established a culture in terms of generating cost savings ideas and revising, reorganizing and restructuring departments where appropriate. He added that culture not only existed within departments to the Department Heads' credit, but was reinforced during the budget process, Department Head meetings on a regular basis and every time a position was vacated. He explained when a position was vacated, he reviewed it with the Department Head to determine ways in which to either eliminate the position, consolidate the functions or generally reorganize their departments. Mr. Geraghty agreed that it was an established culture with Department Heads and they presented very realistic budgets during the process.

- Relative to an effort made in preparing a grid showing all departments and the types of expenditures they incurred by function to look for overlapping expenses, Mr. Dusek noted that was an excellent suggestion. He further stated the copier project was a good example in that it crossed over all levels of departments and led to the plan of a County-wide consolidation of copiers that would be significant cost savings to the County. He added that model was also being used in connection with the replacement of fleet vehicles.
- Concerning sales tax and determining how much sales tax was generated by gas sales, Mr. Dusek advised that the Treasurer was currently doing that in his reports and it reflected roughly 10% of sales tax was attributed to gas sales.
- Regarding the possibility of subsidizing the Airport for economic development and revenue from sales tax on fuel, Mr. Dusek stated he had forwarded the request questioning the amount of fuel sold and the actual revenues coming from the Airport to the Airport Manager and the Superintendent of Public Works. Mr. Monroe recalled that a study was performed in 2009 that documented the economic benefits of the Airport.
- Pertaining to Westmount Health Facility and the significant fluctuations in revenue, Mr. Dusek expounded that the Federal and State IGT (Intergovernmental Transfer) funds caused those fluctuations. He noted in 2009, \$1.5 million in IGT funding was received; in 2010 the amount was approximately the same; however, he said, that payment was not made and in 2011 a double payment was made. He pointed out the State Aid varied greatly as well in 2010 and 2011 because those payments were based on a per day charge for the residents in the Facility and in 2011 the rate was increased and a recoupment of funding was made.
- In terms of an energy audit, Mr. Dusek apprised the County used National Grid, Geo-Thermal and the Co-generation Facility as energy sources and energy audits had been performed. He added that the entire Municipal Center Building had been re-fitted with lights a few years ago and noted that the Co-generation project began because of an energy savings concept. Mr. Dusek informed that the possibility of bringing electricity from the Co-generation Facility across the

- Northway to the Municipal Center Building had been explored; however, he said, it was determined such action was not financially feasible.
- With regard to overtime and the current time management program correctly tracking overtime, Mr. Dusek asserted the new NovaTime System had caused a re-evaluation of the rules of who got paid and when, as well as an accounting of hours worked. He concluded that the NovaTime System had addressed those issues. He noted that departments also provided overtime reports to their respective Committees on a monthly basis.
 - Concerning internal services versus outsourcing, Mr. Dusek remarked that concept was being reviewed and in some instances, they had found it to be less expensive to do one or the other. He stated it required an analysis of each operation in every department and they were in the process of doing such.
 - Relative to medical insurance, Mr. Dusek advised that following the release of an RFP (Request for Proposal) a few years ago, the County contracted with Capital Financial based on experience and price. He stated that over the years, the County had moved from having four to five community rated insurance policies offered to employees and retirees to having one experience rated plan, followed by the most recent transition of having one minimum premium payment policy, all of which resulted in a cost savings to the County.
 - In connection with Social Services and a Foster Care program called FAR (Family Assistance Response), which appeared to be a program that the County could use to drive down costs, Mr. Dusek said the Acting Commissioner of Social Services had informed him they had looked into the program when it first became available and decided to wait and see how it worked for other counties as it would be a huge change for the CPS (Child Protective Services) Unit. He further explained that the Commissioner mentioned that there had been issues across the State with the FAR program and the State was currently re-evaluating the program. Mr. Dusek reminded the Committee of the aggressive move the Acting Commissioner took last year in ending the relationship with Berkshire and re-instituted the internal handling of foster care cases, which resulted in a cost savings.

Mr. Geraghty polled the Committee members opinions of the overall multi-year budget plan that had previously been presented. Mr. Kenny expressed concern with the Sheriff's estimated overtime budget. He recommended that an analysis be performed proportionately with Saratoga and Washington Counties to review their overtime costs. He added that he would like the Sheriff to be included in the next meeting to hold a more detailed discussion concerning such. Mr. Conover suggested more review of the Machinery Fund and the significant increase being requested and that the Superintendent of Public Works be included in the next meeting, as well. Mr. Merlino mentioned his concern with the report received from the Treasurer pertaining to departmental revenues not being received. Mr. Geraghty noted the Treasurer should be requested to attend the next meeting also. Mr. Mason advised he was pleased with

the long-term planning that was presented. He referred to the rankings of counties in terms of per capita expenditures provided by See Through New York-Empire Center for New York State Policy, and suggested that the Budget Committee select a goal as to what ranking was important for Warren County to meet as a challenge over the next five to ten years.

Mr. Westcott expressed his appreciation for the responses provided to his questions. He recognized the challenges ahead for the County and requested more discussions on Westmount Health Facility and the Airport. Mr. Taylor echoed the need for serious discussions concerning Westmount Health Facility.

Mr. Dusek remarked this was the first phase of the process for multi-year budgeting and the Committee needed to reach a point where they could adopt a plan. He referenced the \$1 million deficit anticipated in the General Fund this coming year and stated it was necessary to develop a plan to address that, as well as a plan for Westmount Health Facility. Once the plan was approved and adopted, he said, the Budget Team would use it as a tool in preparing the budget and would try to accomplish the mission that was outlined in the plan.

Mr. Geraghty announced that the Sheriff, the Superintendent of Public Works and the Treasurer would be requested to attend the next Budget Committee meeting to address the questions and concerns that had been raised. Mr. Kenny reiterated that a special meeting was needed to discuss the future of Westmount Health Facility and Countryside Adult Home with advanced notice provided to all Supervisors, given the sensitive nature of the topic.

Mr. Geraghty suggested that a Budget Committee meeting be scheduled for July 11, 2012 at 11:00 a.m. and another meeting on August 2, 2012 at 10:30 a.m. to hold the Westmount Health Facility and Countryside Adult Home discussions. He thanked everyone for attending the meeting today and for their input on the multi-year budget plan.

There being no further business to come before the Committee, on motion made by Mr. Merlino and seconded by Mr. Taylor, Mr. Geraghty adjourned the meeting at 1:00 p.m.

Respectfully submitted,

Nicole Livingston, Second Deputy Clerk