

**WARREN COUNTY BOARD OF SUPERVISORS  
SPECIAL BOARD MEETING  
FRIDAY, APRIL 24, 2009**

**NOTICE OF SPECIAL MEETING  
TO THE MEMBERS OF THE BOARD OF  
SUPERVISORS OF WARREN COUNTY:**

You are hereby notified that, I, FREDERICK H. MONROE, Chairman of the Board of Supervisors of the County of Warren, pursuant to the power vested in me by Rule A.3 of the Rules of the Board of Supervisors, hereby call and convene a special meeting of the Board of Supervisors of Warren County to be held in the Supervisors' Room in the Warren County Municipal Center, Town of Queensbury, New York, on Friday, April 24, 2009 at 9:00 a.m., for the purpose of considering, and if determined by the Board to be appropriate, voting on, or otherwise taking action on, the following matters:

1. Discussion of a request for legislation regarding an increase in sales tax; and
2. To conduct such other business as may properly come before the Board of Supervisors.

The Clerk of the Board of Supervisors is hereby directed to call for the meeting and give written notice to all members of the Board of Supervisors of such meeting.

Dated: April 20, 2009

FREDERICK H. MONROE, CHAIRMAN  
Warren County Board of Supervisors

The Board of Supervisors of the County of Warren convened at the Supervisors' Room in the Warren County Municipal Center, Lake George, New York, at 9:00 a.m.

Mr. Frederick Monroe presiding.

Salute to the flag was led by Supervisor Taylor.

Roll called, the following members present:

Supervisors Monroe, Girard, Taylor, O'Connor, Kenny, Belden, Bentley, Goodspeed, Tessier, Merlino, Stec, Strainer, Champagne, VanNess, Sokol, Thomas, Pitkin, and Geraghty - 18.

Absent: Supervisors: Simmes and Sheehan - 2.

Chairman Monroe thanked everyone for attending the meeting today and explained that the purpose of the Special Board meeting was to consider whether to keep the option of a sales tax increase available as the budget process began. He stated that as elected

officials of Warren County, there were three main obligations, the first was to provide important services to the residents of the County to protect their health, safety and welfare and it was important to be able to continue to do such. He said the second obligation was to support and protect the employees. He added that the third obligation was to protect the taxpayer, and at times these obligations conflicted with one another to varying degrees.

Chairman Monroe announced that this year there was a serious budget problem, the surplus had dwindled and the reimbursements from the State had decreased. He asserted that the budget problem needed to be resolved in a responsible way. He related some elements of problem solving he had acquired during his Air Force training and stated the first step was to suspend personal judgement and not jump to conclusions. The next step, he said, was to gather and weigh all the relevant facts and consider all options. The third step, he continued, was to select the best option or a combination of options from the ones presented. Chairman Monroe apprised that he had learned ten days ago that the option to increase sales tax was about to be foreclosed. He noted that it was his obligation to report to the board members that the option was about to expire and to determine whether or not the Supervisors wanted to preserve that option or let it foreclose. He clarified that the meeting today was not to decide whether to have a sales tax increase or not, but rather whether or not to pursue the option to increase the sales tax or to let it foreclose as the budget process progressed.

Chairman Monroe advised that a power point presentation had been prepared; however, he said, it was not working at this time. He noted that copies of the presentation were distributed to the board members, a copy of which is on file with the minutes. He reviewed the presentation in detail for the board members.

Chairman Monroe reiterated that the purpose today was to present all options addressing the current budget situation and to discuss ways to stabilize property taxes in future years. He outlined the current budget situation and noted that the 2010 budget was estimated to increase 17.6% at this time. He corrected an error in a *Post Star* article today, which said that the County was facing a \$25 million increase, and explained that 17.6% was the increase in the amount to be raised by tax, which was \$37 million, leading to a budget increase of \$6.3 million. He noted that the cost for mandated programs had increased from 72% of the tax levy in 2007 to 79% in 2009. Chairman Monroe reported that the total amount of sales tax collected in 2008 was \$48,577,150; 50% of which was distributed to the towns, and the County's portion was \$24,288,575. He added that the amount raised by property tax in 2008 was \$34,980,748. He apprised that Warren County was one of only five counties in New York State that had not increased sales tax over three percent. He reminded the board members that non-residents paid approximately 37% of sales tax in Warren County.

Chairman Monroe expounded there were additional options to pursue such as cutting expenses by reducing the workforce, reducing or eliminating non-mandated programs and reducing funding to outside agencies. He stated that if the County was not successful in

cutting expenses, the only option may be to increase property tax. He said if increasing the property tax was the only option, he recommended that the board members consider keeping the option of increasing the sales tax available.

Chairman Monroe referred to page 10 of the handout which listed examples of non-mandated programs that could be reduced or eliminated such as the Airport, the Countryside Adult Home, the Fish Hatchery, the Office for the Aging, the Sheriff's Boat Patrol and Road Patrol, some Health Services programs, the Westmount Health Facility and the Youth Bureau. He noted that these were only a few of the non-mandated programs that could be eliminated or reduced. He advised that the goal was to keep the property tax increase below 3% for 2010. To achieve that goal, he said, action would need to be taken to eliminate some non-mandated programs, to proceed with a plan to reduce the workforce, to consider reducing the funding to outside agencies and to enable legislation to preserve the option to increase sales tax later in the year to create a tax stabilization fund.

Chairman Monroe explained that a request to enable legislation to preserve the option to increase sales tax was a three-step process. The first step, he stated, was to submit the request to enable legislation; the second step would be a Home Rule request for legislation; and once the Legislature passed the enabling legislation, the final step would be for Warren County to decide to enact the increase. He clarified that the County had the option to choose the amount of the sales tax increase, whether it be 1%, 1/2% or 1/4%. He added that an increase in sales tax could be used to create a tax stabilization fund and said fund could be used for a number of different scenarios and he listed them as follows: it could be used for a direct dollar for dollar reduction in property tax, of which a substantial portion was paid by non-residents; all or a substantial portion of it could be dedicated to a tax stabilization fund, and said fund could be up to 10% of the budget; it could be used for unexpected emergency expenditures; it could be used to replace unanticipated lost revenues; it could be used for expenses that were necessary and were outside the budget; or it could be used to stabilize the taxes but only if the tax increase was expected to be 2½% or more. Chairman Monroe apprised that these options for a tax stabilization fund were authorized by Law and could be created by resolution subject to permissive referendum. He noted that the sales tax legislation that had been passed to date by other counties was only effective for two years.

Chairman Monroe concluded that the board members needed to seriously consider and implement cost cutting measures, and should consider proposing an option to increase sales tax with proceeds dedicated to the creation of a property tax stabilization fund for 2010 and to reduce property taxes in future years. He reiterated that a tax stabilization fund would provide Warren County with a sound and strong financial basis to enable the County to stabilize taxes in future years.

Mr. Taylor thanked Chairman Monroe for bringing this issue forward and presenting it in a thoughtful manner. He stated that the Board of Supervisors needed to make the best effort possible to reduce the cost of government and hold this as a last option. Personally,

he said, he was not in favor of increasing the sales tax.

Mr. Kenny reminded the board members that at this time last year, the projected budget increase was 35%, until work began on reducing the increase which was achieved prior to the adoption of the budget. He asserted that he was absolutely opposed to any increase in sales tax. He referred to the sales tax as a regressive tax, which was defined as the less one earned, the higher their tax rate was. Another strong motivation for opposing a sales tax increase, he continued, was that before any government body raised taxes, they first must make every effort to reduce expenses. Mr. Kenny agreed that the County had begun to do that; however, he added, they had only scratched the surface. He noted that he was not a fan of layoffs, although he believed more positions could be absorbed through attrition. He apprised that the board members must evaluate all services and programs and cut those that were wanted but not needed. Mr. Kenny acknowledged that this would be the most difficult budget year in history; however, he said, he believed the Board of Supervisors were up to the task and would meet the goal of a zero percent increase.

Chairman Monroe countered that the sales tax was a flat tax, not a regressive tax. He added that with a flat tax, everyone paid the same percentage of tax. He stated that with respect to income, if necessities were exempt of sales tax, the sales tax would be a progressive tax.

Mr. VanNess advised that to his knowledge, the discussion of a sales tax increase had not been held at any Committee level for at least the last two years. He asserted that prior to considering such an increase, there was much more work that needed to be done by the Supervisors. He expressed his opposition to a sales tax increase. He remarked that the board members needed to continue to review unfunded State and Federal mandated programs to determine which, if any, could be eliminated. Mr. VanNess listed a number of actions that the Board of Supervisors had taken in an attempt to reduce an increase to the budget, such as a possible early retirement incentive program; the Supervisors had foregone their raises for another year; the raises and longevity pay of non-bargaining unit employees had been deleted and a plan was in place to speak with Union representatives to request their assistance with concessions. He added that discussions concerning a sales tax increase should have been held in a Finance Committee meeting.

Mr. Stec stated his opinion that he was opposed to a sales tax increase. He agreed with Mr. Kenny, that at this time last year the County was facing over a 30% increase in the budget until hard work began and a 3% increase was achieved, which the Budget Officer had confirmed was the lowest budget increase in more than a decade. He reported that he was in favor of 'bench marking' and a detailed 'bench marking' report had been received last week which outlined there was room for improvement on the expense side of the ledger. He expressed his concern that an increase in sales tax would reduce the Supervisors' motivation to find ways to reduce expenses.

Mr. Champagne apprised that he was adamantly opposed to any sales tax increase and supported the proposal to re-open negotiations with the Union. Mr. Goodspeed countered that the board members would only be delaying the inevitable if they did not keep the option available for a sales tax increase. He noted his concern that the County could face a 7% to 8% increase in real property tax this fall. He added that he was in favor of keeping the option of a sales tax increase available. Mr. Goodspeed agreed with Mr. Stec that benchmarks should be set and he recommended that a plan be established to eliminate thirty positions by July 1, 2009. He said the County needed to reduce spending and the contributions made to outside agencies and eliminate two to three non-mandated programs offered by the County.

Mr. Bentley expounded that on a recent trip to California, he paid between 8½% to 12½% sales tax while traveling across the country. He stated he was in favor of keeping the option of a sales tax increase available. Mr. Thomas agreed that the option should remain open. He explained that the 3% budget increase adopted last year had become a 10% increase for the taxpayers in the Town of Stony Creek. Mr. Pitkin agreed that the option should remain available and noted he could only support the increase if it were earmarked specifically for a reserve fund to reduce property taxes. He added that reductions in programs and employees should begin as well.

Chairman Monroe interjected that he felt it was important to bring to the board members attention that this was an option that was about to be lost if no action was taken and if the option was not considered, the Supervisors were not doing anything to stabilize taxes while moving forward and it would be a continuing problem. He stated that the surplus was too low and no matter what actions were taken between now and the adoption of the 2010 budget, it would not address the lack of an adequate fund balance which affected the cash flow and was not a plan to stabilize taxes. He clarified the only suggestion made was to keep the option of an increase in sales tax available; however, he said, he agreed that a reduction in expenses needed to take place, as well as additional reductions.

Mr. Girard commended Chairman Monroe for bringing the option before the Board of Supervisors. He remarked that the County was a tourism driven industry three months out of the year. He agreed that the County should keep the option available to increase the sales tax.

Mr. Bentley referred to the chart that was distributed that outlined the implications of a 1% increase in sales tax. He advised that the savings in property tax to the residents of every town in the County, including the City of Glens Falls, was tremendous.

Mr. Sokol stated that he had many conversations with customers at his business regarding an increase in sales tax and not one person was in favor of such action. He reiterated that reductions needed to be made throughout the County. He concluded that he was not in favor of the option for an increase in sales tax. Mr. Strainer echoed Mr. Sokols' statements.

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Motion was made by Mr. Goodspeed, seconded by Mr. Pitkin and carried unanimously to waive the rules of the board requiring a resolution be in writing. Clerk noted it would be Resolution No. 317 of 2009 for the record.

Motion was made by Mr. Goodspeed and seconded by Mr. Pitkin to request introduction of Legislation authorizing an increase in sales tax.

Mr. Stec requested that it be a roll call vote. Clerk stated it would be Resolution No. 318 of 2009 for the record. Following the roll call vote, the motion failed.

There being no further business, on motion by Mr. Girard and seconded by Mr. Sokol, Chairman Monroe adjourned the meeting at 10:05 a.m.