

**WARREN COUNTY BOARD OF SUPERVISORS
SPECIAL BOARD MEETING
FRIDAY, NOVEMBER 2, 2012**

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 10:04 a.m.

Mr. Daniel G. Stec presiding.

Salute to the flag was led by Supervisor Merlino.

Roll called, the following members present:

Supervisors Conover, McDevitt, Taylor, Loeb, Kenny, Frasier, Bentley, Vanselow, Dickinson, Merlino, Stec, Mason, Strainer, Westcott, Sokol, Thomas, Wood and Geraghty - 18.

Supervisors Monroe and Girard, Absent - 2.

Chairman Stec acknowledged and stated his appreciation for the preparatory efforts made by Brian LaFlure, Fire Coordinator/Director of the Office of Emergency Services, his staff, and all of the other professional and volunteer Emergency Responders who served the County in anticipation of Hurricane Sandy during the prior week and throughout the weather event. He said that Warren County had been very lucky to have avoided incurring any serious damages, but noted that other portions of the tri-State area had not been as fortunate. Mr. Kenny also thanked Mr. LaFlure for his efforts and commended Amy Drexel, Deputy Director of the Office of Emergency Services, as well, advising that they had done a fantastic job of keeping everyone updated throughout the storm situation.

Commencing with the agenda review, privilege of the floor was extended to Kevin Geraghty, Budget Officer, who proceeded to make the 2013 Budget Message, as follows:

“Mr. Chairman, Members of the Board of Supervisors and to all those in attendance, I hereby formally present the 2013 Budget for Warren County.

“The 2013 budget maintains important programs and services to our residents and continues to strengthen Warren County’s financial position.

“Sales Tax revenue has been increased to a \$45.8 million to make the budget more realistic. This is \$3.7 million more than budgeted for 2012. Although sales tax revenue was increased, we must be cautious about future growth by monitoring this revenue stream as well as the economic outlook.

“Mortgage tax receipts have been improving. Therefore, I believe it is safe to increase the budgeted revenue by \$100,000. This brings our revenue budget to \$1.6 million.

“There is an increase of \$50,000 to the Jail Services revenue. We expect that the acceptance of federal inmates will enhance this revenue stream in 2013.

“The County anticipates net revenue of \$50,000 for the Beach Road Parking Lot parking fees. This is a new revenue source for the County.

“Cost increases were mainly due to benefit increases such as retirement and health insurance. These two budget lines alone contributed to an increase of \$2.125 million for 2013. Other increases include overtime salaries, debt service, federal aid projects and auto gas and oil.

“Equipment spending by departments saw a minimal increase this year but due to our deteriorating vehicle fleet \$225,000 was allocated to a balance remains at a level so the County can avoid the cost of borrowing to meet its operating obligation throughout the year.

“This budget continues the fiscal conservative approach that I have presented throughout my years as budget officer. Right now is the time to look at our future. The multi-year plan has been presented to the Budget Committee and steps must be taken in order to ensure our financial goals. Plans should be put in place now to address projected deficits in the future. Any change takes time and I caution the Board to think about changes before financial realities have to be dealt with. Our fiscal conservative approach is not enough without extensive financial planning.

“Finally, I would like to thank our Department Heads and Budget Team for working together to present a realistic budget. We depend on the knowledge and expertise that everyone brings to the table. These individuals are dedicated public employees with an understanding of the needs of the public they serve.

“As I have said in the past, from the Department Heads to their employees, Warren County has a work force that is second to none and demonstrates an attitude and willingness to work with what they have. This dedication and attitude, together with the Board’s initiatives outlined in the 2013 budget, will serve Warren County well. Thank you.”

Following the Budget Message, Mr. Geraghty provided a power point presentation on the 2012 County Budget, a copy of which is on file with the minutes. The presentation indicated the 2013 proposed County Budget included a 1.99% increase (\$799,797) in the amount to be raised by taxes, as compared to the 2012 County Budget, and outlined the Budget Officer’s recommendations which included appropriating \$1.786 million in surplus funds to the 2013 Budget; implementing layoffs in the Social Services, DPW and Youth divisions; reducing full-time staffing in the Probation Department to part-time; funding County Road Projects only to the extent of the CHIPS (Consolidated Highway Improvement Projects) funding provided; and closing completed DPW Capital and Road Projects with any excess funds being transferred to support new projects proposed for 2013.

Referring to the 2013 Equalization & Apportionment Table - Tentative document which was distributed to the Board members (*a copy is also on file with the minutes*), Mr. Dickinson noted that the Town of Lake George was listed as having a tax rate decrease of 31.52% compared to 2012 and Mr. Geraghty advised this statistic was due to the fact that the Town of Lake George had recently performed a property assessment re-evaluation.

Mr. Westcott noted that as per the power point presentation, one of the significant items driving higher appropriations was health insurance costs, estimated at \$1,004,274 for 2013; he recalled that a decrease in health insurance costs had been achieved for the 2012 Budget and he questioned why the anticipated costs were so much higher for 2012. Paul Dusek, County Administrator, responded that several meetings with the County’s Health Insurance Broker had been held to discuss this issue. He explained that for 2012, lower health insurance costs had been achieved based on the favorable claims experience anticipated, by implementing a minimum premium payment policy and by agreeing to a \$1 million opt-out penalty if the County decided to leave the current insurance company

before the end of their contract term. Mr. Dusek advised that in 2012, half of the penalty (\$500,000) had been included in the 2012 Budget to build a reserve of sorts; however, he added, they had chosen not to include the other half of the penalty in the 2013 Budget in order to keep the totals as low as possible. He said that they did feel there was a potential available to incur insurance savings by switching to another insurance carrier, and if they decided to do so at the end of 2012, they were confident that the savings due to the delay in payments and the way structures worked between different companies to allow payment of the remaining half of the opt-out penalty. Mr. Dusek apprised that another reason for the health insurance rate increase was due to the 2012 claims experience, which had not been as good as anticipated and he advised that depending on the claims experience for 2013, the rates could either decrease, or increase further for 2014. He pointed out that the employee sharing amount for the health insurance costs was still subject to collective bargaining negotiations and it was possible that the County portion of the costs could decrease based on those results. Short of making significant coverage changes, such as including substantial deductible increases, Mr. Dusek said he did not foresee a great decrease in insurance coverage costs. He apprised that the Supervisors of a few Towns that had been successful in switching to a CDPHP based health insurance program to reduce related costs had questioned why the County was not doing the same; Mr. Dusek stated that employee health insurance changes could not be made without the consideration and approval of the collective bargaining units, and even if they were immediately approved, the coverage was not available to the County due to their claims experience ratings. Mr. Dusek pointed out that it was very difficult to obtain the consent of collective bargaining units for insurance coverage deductible and coverage changes. Finally, he noted that he had asked the County's Insurance Broker to compare Warren County's insurance costs to other surrounding municipalities and they had found that while the County's costs had jumped considerably for 2013, they were similar to those being incurred by other municipalities and in some cases, the per policy rate projected for Warren County was lower. Mr. Dusek suggested that they continue to implement all of the cost savings strategies available to lower future health insurance costs and said he felt they had done a remarkable job of lowering insurance costs in prior years and were currently suffering the results of a bad year of claims experience.

As there was no further comment from the members of the Board of Supervisors, privilege of the floor was extended for public comment. Travis Whitehead, Town of Queensbury resident, noted that the 2013 Equalization & Apportionment Table - Tentative document indicated an increase of 4.53% in the 2013 Tax Rate and he questioned how this figure was derived. Mr. Geraghty responded that a complicated formula was used to determine this figure which was based on changes in assessed values and equalization rates. Mr. Whitehead then noted that the 1.99% increase in the amount to be raised by taxes projected for 2013 seemed to be fortuitous as a 2% increase would meet the State imposed tax cap requiring an overriding vote. Mr. Geraghty advised that the tax cap increase figure was somewhat misleading because although the State had imposed a 2% tax cap, there were a number of contributing factors to be considered, including a growth factor, which actually allowed a 3.25% increase for Warren County. He noted that if Mr. Whitehead was interested in obtaining further information on the formula used to derive the tax cap figure, he could visit the Treasurer's Office to do so.

Mr. Kenny noted that information presented at a prior Budget Committee meeting had indicated an increase in overtime expenses for the Sheriff's 911 Center from \$23,000 to \$40,000 for 2013 and he questioned why this was necessary. Mr. Geraghty responded that in prior years they had not included sufficient overtime funding in the Budget for these costs and the increase was included to provide appropriate funding levels. Mr. Kenny noted that, over time, the overtime costs incurred by the Correction's Division had increased from \$220,000 to \$350,000 and

he suggested new methods be considered to reduce overtime costs, such as employing part-time Correction's Officers. Mr. Geraghty noted that the overtime costs for the Corrections Division were driven by mandated costs and uncontrollable factors like hospital and suicide watches and meeting minimum staffing levels; he advised that he and Bud York, Sheriff, had discussed the possibility of using more part-time staff to reduce overtime costs.

Chairman Stec called for the reading of resolutions and discussion. Joan Sady, Clerk of the Board, advised a motion was needed to bring proposed Resolution Nos. 627 and 628 to the floor.

Motion was made by Mr. Bentley, seconded by Mr. Strainer and carried unanimously to bring proposed Resolution Nos. 627 and 628 to the floor.

Chairman Stec called for a vote on resolutions.

Resolution Nos. 627 and 628 were approved.

Chairman Stec announced that a public hearing on the 2013 Tentative Budget would be held at 10:00 a.m. on November 16th. Mr. Dusek advised that a brief executive session would be necessary to discuss collective bargaining negotiations.

Motion was made by Mrs. Frasier, seconded by Mr. Conover and carried unanimously to enter into an executive session, pursuant to Section 105(e) of the Public Officer's Law.

Executive session was held from 10:36 a.m. to 11:05 a.m.

Upon reconvening, Chairman Stec advised no action was necessary pursuant to the executive session.

As there was no further business to discuss, on motion made by Mr. Dickinson and seconded by Mr. Bentley, Chairman Stec adjourned the Board meeting at 11:06 a.m.