Warren County Board of Supervisors

SPECIAL BOARD MEETING
WEDNESDAY, JANUARY 16, 2019

NOTICE OF SPECIAL MEETING

TO THE MEMBERS OF THE BOARD OF SUPERVISORS OF WARREN COUNTY:

You are hereby notified that I, RONALD F. CONOVER, Chairman of the Board of Supervisors of the County of Warren, pursuant to the power vested in my 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 **JANUARY 16, 2019 AT 1:00 P.M.**, for the purpose of:

1. Workshop regarding sales tax distributions in Warren County, 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: January 8, 2019

RONALD F. CONOVER, CHAIRMAN
Warren County Board of Supervisors

To the Members of the Board of Supervisors: At the direction of the Chairman of the Board, I am notifying you of the Special Meeting called for the time, place and purposes set forth above.

Amanda Allen
AMANDA ALLEN, CLERK
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 1:00 p.m.

Mr. Ronald F. Conover presiding.

Salute to the flag was led by Supervisor Conover.

Roll called, the following members present:
Supervisors Diamond, McDevitt, Loeb, Driscoll, Frasier, Simpson, Hogan, Dickinson, Merlino, Strough, Wild, Beaty, Magowan, Sokol, Thomas, Hyde, Geraghty and Conover- 18; Supervisors Leggett and Braymer absent- 2

Chairman Conover apprised there was one order of business on the agenda today regarding proposed Resolution No. 4, *Home Rule Request by Warren County for the Enactment of Senate Bill No. S.721 and Assembly Bill No. A.210 Entitled "An Act to Amend Chapter 368 of the Laws of 2008 Amending the Tax Law Relating to Authorizing the County of Warren to Impose an Additional Mortgage Recording Tax, in Relation to Extending the Effectiveness Thereof"*, and he requested Ryan Moore, *County Administrator,* to explain its purpose.

Supervisors Braymer and Leggett entered the meeting at 1:02 p.m.

Mr. Moore stated a local law had been introduced at the December 21, 2018 Board meeting that permitted the extension of an additional mortgage recording tax which had expired on December 1, 2018 due to the inability of the State Legislature to pass that Bill in the Assembly and Senate. He advised any County that was impacted by this legislation was required to adopt a resolution and distribute it to the Legislature as soon as possible because it was a prerequisite for the Assembly and Senate to vote on this Bill. He said today was the earliest opportunity for the Board to act on the proposed Resolution with the notion that the forms would be disbursed to the Legislature tomorrow to allow them to advance the Bill.

Chairman Conover called for discussion and public comment on the proposed resolutions, as well as requests for roll call votes.

Supervisor Strough asked whether a motion was required to bring the resolution to the floor and Chairman Conover replied in the negative.

Chairman Conover called for a vote on Resolution No. 4, following which it was approved as presented.

Proceeding with the Agenda review, Chairman Conover advised the Board would now proceed into a Workshop Session to discuss sales tax distributions in Warren County and he extended privilege of the floor to Mr. Moore.

Mr. Moore commenced by apologizing for the length of the presentation he would be reviewing, adding this was due to the complex nature of the issue and the many revolving parts involved. Supervisor Wild asked whether printed copies of the presentation were available for the Board members and Mr. Moore replied in the negative, apprising he would email the presentation to the Board members immediately following the conclusion of the meeting. He acknowledged the Board members, as well as the members of the public who had spent time discussing the matter with him regarding their points of view; he added he had attempted to incorporate everyone's point of view into the presentation. He indicated it was his job to explain the issue, provide some historical context to the current distribution formula, ensure everyone was aware of how it worked and compare it to the 50/50 proposal that had been advanced and circulated amongst the Board members. He said a few other proposals had recently been provided by various members of the Board which he would be briefly addressing at the conclusion of the presentation. He proceeded with the Power Point Presentation entitled *"Warren County Sales Tax Distribution Formula: Current vs. 50/50 Proposal,* which he reviewed in detail, a copy of which is on file with the items distributed at the January 16th Special Board meeting.

During the presentation Supervisor Simpson asked Mr. Moore to clarify with regard to who paid the 2017 property tax levy that the Town of Bolton, whose population was about 2,200 residents, paid 15.38% of the levy, while the City of Glens Falls, whose population was upwards of 14,000 citizens, paid 9.23%, and Mr. Moore replied in the affirmative. Mr. Moore explained the expense side of the equation was based solely on valuation and did not take into account population. He added this was how the cost of the County Government was determined.

Supervisor Loeb requested that Mr. Moore elaborate on the special distribution of additional sales tax to the City of Glens Falls which he said implied there was an expense being shouldered by the City. Mr. Moore informed the special distribution to the City of Glens Falls commenced in 2002, but he could not speak to the details of how and why the 2% was calculated. He said the purpose of it was to acknowledge something the City was doing which would benefit communities outside of the City.

Supervisor Merlino stated he had become a member of the Board following the deal with the City; however, he noted, it was likely he would have voted in favor of it because it pertained to the City processing sewer for the Town of Queensbury at their plant. He indicated this was a good idea, but what should have been handled differently was placing a percentage figure on it because it had steadily increased from around $275,000 in 2002 to over $600,000 today. He continued, it had cost the County taxpayers more money because they used a percentage instead of an annual raise. He mentioned now that he was more familiar with sales tax he realized he would be more cautious about using a percentage since they provided for continuous increases.

Supervisor Diamond advised the concept in 2002 regarding this agreement was that as the City of Glens Falls expanded its sewer capacity then there would be an additional growth which the percentage was based on. He pointed out the developers who constructed new hotels off of Exit 18 of the Adirondack Northway would not have done so if they did not have access to the sewer which was provided by the City. He added both sales and occupancy tax would increase as a result of these facilities being built.

Mr. Moore apprised the special distribution was allocated from the County's portion of the sales tax thereby reducing revenue to the County and was replaced with property taxes that were paid according to the valuation of each town.

With regard to the 50/50 proposal, Supervisor Dickinson informed the smaller towns would be hurt by this plan because their expenses to the County would remain the same, but their portion of the sales tax would decrease. He questioned how anyone could support a plan that would take money away from the municipalities without providing them with other means to pay for the services they provided.

Supervisor Braymer remarked as previously stated by Mr. Moore the tax liability was premised with the idea that the municipalities with the greater ability to pay would shoulder more of the burden. She added as this changed it was obvious that those municipalities who presently had less liability were not as capable of paying. Mr. Moore explained when a municipality was proportionally valued more than in the past they received a larger portion of the sales tax revenue, but at the same time they were required to pay a greater portion of the County's expenses. Supervisor Simpson added in contrast if a municipalities valuation decreased then the cost would be shifted onto the other towns throughout the County. With regard to Supervisor Braymer's point, Mr. Moore stated the expense would always be more than the amount of sales tax revenue unless there was an upsurge in sales tax meaning a town that was on the rise would be impacted greater than one that was growing slower. He said this was why the County tax levy was determined according to property value, as the purpose was for the expense to fall on the municipalities with the most wealth who had the ability to pay it.

Supervisor Simpson noted that the report indicated there were 1,671 residential parcels with homes in the Town of Horicon, but according to the 2010 census there were only 1,389 residents meaning the seasonal residents were not being taken into consideration. Mr. Moore stated using the census figures was not an appropriate measure because of the large seasonal population in the County.

Chairman Conover remarked he felt it was important that the members of the public were aware that municipal budgets were not part of the County tax levy, nor were special districts such as sewer, water, lighting, etc.

With regard to the other proposed formula which required sales tax distribution and expense liability for County programs to be determined based solely on population, Chairman Conover advised the municipalities who were highlighted in green were contributing more in terms of what their population would dictate in terms of expense. Mr. Moore stated if the County expenses were determined on a population proportion it was possible that some of the expenses such as those incurred from Medicaid would be concentrated incertain communities. Chairman Conover apprised if the County programs were benefitting the figures highlighted in red greater than they were to those highlighted in green than it would be weighted that way. He stated what he interpreted this to mean was that if expense was divided on a per capita basis than the figures swung dramatically. Mr. Moore pointed out this would never occur because the State would always divide the cost of County Government according to valuation. Chairman Conover interjected that there were programs that could be divided on a per capita user based system and Mr. Moore concurred. Mr. Moore informed he was aware of three programs that could be billed out to the municipality it originated in such as Safety Net or for the kids from a municipality who were attending out-of-County community colleges. He explained the County had the option to bill that expense from that child attending an out-of-County community college to the municipality where the child lived. He added another example were election costs which currently a portion was billed back to municipalities, but the County had the ability to bill back more. He said there may be more programs where this was permissible, but these were the three he knew of offhand.

Chairman Conover offered privilege of the floor to anyone present wishing to address the Board regarding the presentation, noting since this was not a public hearing the comments should be limited to a few minutes.

Roger Bombardier, *Town of Horicon Resident,* voiced his concern that arguments were not based on sand and when the presentation referred to population it was considering year-round population. He said the towns who would receive a decrease in this new proposal had summer populations that varied greatly meaning the term population was based upon "sand". He stated he interpreted this to mean the arguments based on this were not appropriate.

Deanna Rehm, *Town of Bolton Resident,* apprised she had been an assessor in Warren County for thirty-nine years, but she was present today as a taxpayer and interested citizen. She acknowledged Mr. Moore for doing an excellent job compiling all of the information for the presentation which displayed the impacts of several different scenarios; however, she noted, she would like to remind the Board members to take into consideration several things. She mentioned that New York State levied sales tax and placed it into a pot to fund State services which was the initial intent in Warren County, pointing out the State did not distribute it per capita. She stated initially during the 1970's the sales tax came close to equaling whatever the County tax levy was meaning the County would expend $4 million and the share that was distributed to reduce the towns levy for their share of the County tax was also $4 million. She continued, during the 1980's the sales tax exceeded what the County tax levy was with the County levy equaling around $6 million and the Towns share adding up to almost $10 million resulting in towns getting additional revenue every year after they paid their County tax in full. She stated during the 1990's the municipalities opted to use the distribution to defray their town tax because the County tax levy was greater than the sales tax revenue to offset it. She pointed out in 2017 there was a County levy of $42 million and the County's share of the sales tax revenue was a mere $24 million. She said the amount of sales tax revenue had not kept pace with the rate at which the County tax levy was rising. With regard to the population distribution and whether it was somewhat flawed, Ms. Rehm apprised she felt a number of the Board members believed this was an appropriate way to distribute sales tax because this was the method used when distributing occupancy tax. She explained occupancy tax was a location based tax where an individual occupied a room which generated occupancy tax that was allocated back to the municipality where the room was rented. She mentioned sales tax did not directly relate to population, as there were a number of demographics that determined how much an individual or a household might spend that would be taxable as a sales tax, as the high ticket items such as cars, boats, construction supplies co-related to disposable income. She mentioned a municipality where the average household income was around $40,000 would not generate the same sales tax to the County as one whose disposable income was around $80,000. She remarked if the Board members were to decide that population was a factor it was necessary to do some demographic examination to ensure that there would be 50% more sales tax produced from a community with a population of 3,000 as compared to one with 2,000 residents. She spoke to the town Supervisors, apprising if they were to receive more distribution it would not be distributed to the residents, but rather used as revenue to reduce the town tax. She continued, that reduction in town tax would be based on value of the property meaning a homeowner with a home valued at $100,000 would possibly realize 20% of the savings of a homeowner whose home was valued at $500,000. She said homes valued at $100,000 had the same County tax bill regardless of where it was located, but the town level which was being mixed in was different, as it was the value of the town to support town services. She apprised this meant a higher value town cost per thousand was less than a lower valued town. She mentioned school tax was significantly more in the Town of Queensbury than it was in the Towns of Bolton and Lake George, apprising neither the State or the County attempted to change this, as it was simply a function of how much revenue was required and what was the value of the community. She remarked this was how it was handled in New York State; she said it was an admiral tax that she believed should be an admiral revenue.

A round of applause was given.

Bill McGhee, *Town of Horicon Resident,* informed he would possibly have to sell his home if the 50/50 proposal was adopted. He said he had inherited his lakefront property, which he paid a significant amount of taxes on. He advised if this proposal was adopted someone would have to explain to Supervisor Simpson how to continue to manage the Town which would be losing around $500,000 in revenue. He questioned how the town could continue to maintain the services to the residents, including those to Schroon and Brant Lakes and he voiced his appreciation for this support. He asked anyone with ideas on how to manage the town with such a significant loss of revenue to discuss them with Supervisor Simpson. He concluded by thanking the Board members for providing him with the opportunity to voice his opinion which he would like them to consider.

Joan Caruso, *Town of Horicon Seasonal Resident,* advised even though she was a seasonal resident she paid a significant amount of taxes which was why she felt she should count.

Rich Nawrot, *Town of Horicon Resident,* advised he and his wife were year-round residents that lived on East Shore Drive which was located on the east side of Schroon Lake. He voiced his opposition to the new way the Board members were considering distributing sales tax largely in part to population, as their town had a substantial number of seasonal residents and he pointed out he was maybe one of the five year-round residents on his road with the remainder being seasonal. He indicated since seasonal residents paid the same amount of taxes as the year-round ones, he felt they should be included in the population count if the County was going to move towards this type of valuation. He continued, even if they were only residents for a portion of the year they were still residents and should be counted as such. He stated they were not counted in the census because their homes were not their permanent one. He mentioned the amount of sales tax revenue generated from the residents of the Town of Horicon or any of the other northern municipalities, who had to do all of their shopping in the Town of Queensbury meaning a significant amount of their sales tax payments were generated by them in the Towns of Queensbury and Lake George which had a new Price Chopper. He said sales tax was not limited to year-round residents, as the seasonal residents, as well as the visitors to the region spent a substantial amount of money in the Towns of Queensbury and Lake George. He concluded by advising these were a few things that should be considered with the reformulation.

Kathy Muncil, *Representing Fort William Henry in Lake George,* stated she did not believe the business perspective was considered in terms of cost and she asked Mr. Moore whether any calculation had been identified relative to businesses within the overall value. Mr. Moore apprised the overall tax levy included what businesses were paying, but when it was broken down in an attempt to get an "apples to apples" comparison only residential homes were considered, but it was entirely possible for him to determine the impact on businesses. Ms. Muncil mentioned as a business owner she would appreciate if this perspective could be developed. She remarked that she felt Mr. Moore had prepared a phenomenal presentation that answered many of her questions and as a business owner she would suggest the Board members tread lightly in terms of creating any theory of instability with regard to taxation for businesses. She apprised businesses dealt with wage, insurance and sewer tax increases each year rendering it more difficult each year for them to sustain operations. She reiterated that she would request that they tread cautiously to ensure businesses and/or communities could have time to plan for these things. She concluded her remarks by indicating she would be interested in seeing what services were provided by the municipalities with the different scenarios, as the towns did have some say in what they would provide.

Chairman Conover announced the presentation would be available on the County website.

Steve Ramant, *Town of Hague Resident,* apprised it appeared as if the high population towns were benefitting most and he questioned how the smaller municipalities such as his own were supposed to answer to their residents, who paid a substantial amount of taxes, why their services had decreased. He concluded by stating he could not comprehend why the towns with larger populations needed more money than ones with lower populations.

Gina Mintzer, *Executive Director, Lake George Regional Chamber of Commerce & CVB,* stated she thought she was coming today to listen and learn as she had for the past fifteen months in her position, but then a colleague had asked her to speak as a property owner, and another person requested that she speak on behalf of their general membership at-large. She said both of these calls prompted her to do some research to determine what was at stake for all property owners, residents and visitors regarding how the sales tax allocation was distributed and spent. She mentioned this was a significant issue that would not be decided on today and she urged the Board members to look at this from the County's perspective and not their respective municipalities point of view. She advised as a representative of the Chamber and the County collective, she was imploring for the Board members to review the dollars from a stability perspective. She noted it would be a major change that would impact everyone in the County if the Board were to modify the current distribution which was based on assessment to one that was centered around population and she added an answer may be to find some form of middle ground. She stated she was aware that several counties distributed sales tax based on assessed value, as well as population. She mentioned she believed some of the information included in Mr. Moore's presentation was based upon the update issued by the New York State Office of the State Comptroller on local government sales tax distribution in 2015. She said she felt this report demonstrated that there was not a perfect way to distribute sales tax. She apprised as a property owner in the Town of Lake George, which was one of the many municipalities whose population increased during certain times of the year, she did not want to see their taxes increased because the high season population was not part of the equation, but the operations to serve that population would still need to be paid for on an annual basis and she indicated her message was one of stability and she pondered whether there was a sales tax equation that allowed the funding to communities to remain stable year-round to serve all businesses, residents and visitors. She said this was the question to be answered, noting the business community was present to assist the Board members in whatever way they could that demonstrated their support while protecting their investments from now moving forward.

Travis Whitehead, *Town of Queensbury Resident,* noted he would be the first resident today who resided in a community that would benefit from the 50/50 proposal. He stated he felt the presentation was a good one, but there were a few things he was confused by. He pointed out how expense liability precisely matched the distribution of the sales tax because they were based on valuation with the exception of the City of Glens Falls, who had preempted. He said although it was not stated in this manner, the number indicated the City was getting more money then they deserved. He said when discussing expense liability they were not referring to how much the Towns or City cost, as it would be difficult to calculate that figure due to the varying expenses each municipality had, but rather valuation to valuation which calculated as one to one, with the exception of the City due to the preemption. He said what he felt compelled to note was that a number of the smaller communities had a significant number of County bridges and roads whereas there were no County bridges located in the Town of Queensbury nor were there any County roads in the City. He stated this proved there were differing expenses which was why it would be too difficult to calculate it out and why when discussing an expense basis, he would not consider it to be the way he would think about them. Mr. Whitehead advised another point he would like to clarify was that while he was the first of nine speakers who resided in a community that would benefit from the 50/50 proposal, he was aware that 80% of the residents in the County would benefit from this while the remaining 20% would be required to pay more and he asked whether this assumption was correct; Mr. Moore replied in the affirmative. Mr. Whitehead informed since there was no shift in dollars this meant that 80% would be getting lesser per person than the 20% would be losing. He continued, it had been indicted that residents with houses assessed at high values and were worth a lot of money felt they paid a substantial amount of taxes; however, he noted, at the same time the slide which displayed the tax burden of a resident in the City of Glens Falls with a home valued at $150,000 would be about the same as a resident in the Town of Bolton who owned a home valued at $550,000. He explained the reason this calculated as such related to the fact that the Town tax rate for Bolton, Hague and Horicon were much lower than it was for the Town of Queensbury and the City of Glens Falls. He apprised if they were to review the burden that could be controlled by the Board members which consisted of County and Town taxes, the money that was distributed from sales tax which was based on valuation a home valued at $550,000 in the Town of Bolton would get three times the amount of sales tax benefit than the homeowner who paid the same amount out of their pocket for their residence which was valued at $150,000 resulting in the tax rate being lowered in those towns. He informed the tax rate in the Town of Hague was nil, in the Town of Bolton was minimal, adding those towns had to put money back into the distribution to apply it toward paying off the County or else those rates would actually go negative. He stated this demonstrated that there was in fact an issue present. He remarked using the tax bills was the best statement of what was occurring and he reviewed the following tax bills which he obtained off of the internet since they were public information: Former City of Glens Galls 4th Ward Supervisor James Brock, who was paying $1,855 on a home valued at $129,000 based on full valuation and included County and City tax, but no sewer, water school, etc. taxes; Supervisor Geraghty, whose home in the Town of Warrensburg, was valued at $192,000 was paying $1,639; and Chairman Conover, whose home in the Town of Bolton, was valued at $359,000 and was paying $1,566. He pointed out this meant Chairman Conover would get more than double the sales tax benefit that former Supervisor Brock did and yet he paid less taxes. He said it was necessary to review the taxes spent and the tax rates, as well as the assessment because what was paid was a rate times an assessment.

Dean Munson, *Town of Horicon Resident,* stated this meeting was being held during the time of year when the seasonal residents did not reside here leaving his municipality under-represented and he was unsure of who would take care of them since they were not properly represented. Chairman Conover interjected that additional meetings would be scheduled in the future.

David Kenny, *Town of Queensbury Resident and Business Owner in the Town of Lake George,* advised that he concurred with Ms. Muncil, as it was necessary to research and determine how this would impact businesses and more specifically the smaller motels on Lake George who could ultimately decide to sell their property to developers who construct more homes resulting in a loss of sales tax revenue. He said it was imperative for the Board members to consider how much sales tax would be lost if this were to occur, as he was concerned Lake George would become a “bedroom community” much like Long Island, where taxes were high because they had no method to bring in taxes. He informed the conversion of these small motels along Lake George would have a trickling impact through the loss of tourists which would also decrease the number of people shopping in the local stores. He added the homes that would be constructed to replace these small motels would be purchased as vacation homes meaning they would not be counted as part of the population, as well.

There being no other members of the public present wishing to speak to the matter, Chairman Conover apprised there would be other meetings scheduled regarding the matter going forward and he offered privilege of the floor to any of the Supervisors who would like to voice their thoughts on the matter.

Supervisor Wild remarked this was a complicated issue and he thanked Mr. Moore for putting together the information he complied in the presentation today. He said his first impression was that this was similar to a Robin Hood scenario where money was taken away from the rich to be given to the poor with none of the Supervisors taken into consideration the economic portion of this. He said his desire was for the figures to be calculated based on residences and businesses to determine the impact on the County taxpayers and not just per capita.

Supervisor Dickinson voiced his opposition to the proposed change, as he believed it would be disruptive to the County and Towns. He stated the Town Supervisors were well aware when they were elected that they had to set a budget to work with that related to the services offered to the residents of that town. He informed Lake George was a Town which mostly consisted of businesses and had a number of needs that other towns did not have. He remarked that he felt it was unfair for people to come after his towns money, as it was already difficult for him to balance the Town Budget each year with the demands he had on him. He said he managed to stay within his budget by not including everything he would like or offering all of the services; he added he would not be able to lose as much revenue as the graphs indicated in the presentation which was upwards of $100,000. He advised all this would do is shift the tax burden from the County to Town of Lake George. He reiterated that the Town of Lake George was a business community that generated a substantial amount of sales and occupancy tax revenues; however, he noted, those who resided on the back streets of the town were regular people unlike those who lived on Lake George and it was necessary to balance the two.

Supervisor Hogan requested that the Board members stop referring to this as “my money” as they moved forward with this deliberation since this was a larger issue than that. She advised the bigger issue that they were not discussing here was the fact that there were needs in Warren County that were not being met. She urged them to stop making it appear as if they were fighting over scraps and commence with discussing what was really at the heart of this issue.

Supervisor Simpson apprised there were a number of pieces of this pie the Board members had not even considered. With regard to the Town of Horicon, who he represented, he stated they were governed by different rules than the majority of the County since they lived in the Adirondack Park and fell under the Adirondack Park Agency Act. He explained their were thousands of acres of State land located in their town that was open to the public that they did not receive taxes based on the assessed value for, but rather what the State determined their fair determination assessed value was which he noted was significantly less than what they received from residential lake front homes on Brant Lake. He mentioned since there were a number of factors that were only identifiable to the Town of Horicon he felt it would take more than his lifetime to compare each community to one another. He stated he had lived in five different communities in Warren County during which time he never considered comparing how each municipality was expending their tax dollars. He apprised the Town of Horicon had no sidewalks in the downtown area, but they would like one, as well as to not have to drive to the Town of Queensbury to save $.30 on gas or to the Town of Lake George to purchase groceries at the Price Chopper located there. He added even though they did not have sewer or water expenses, they were expending a significant amount of money to protect their waterbodies which was protecting the assessed value that the entire County benefitted from. He pointed out according to the 2010 census there were 1,389 residents in the Town of Horicon who were paying 6% of the County's expenses. He remarked he felt they needed an economist to determine what was involved and this was why the State originally dictated valuation because it provided the fairest value.

A round of applause was given,

Supervisor Merlino stated that while he had heard a few compelling arguments he was one of the few people who disagreed with the majority of it. He said there was no way for the towns to come up with more land or additional waterbodies and yet the assessed valuation continued to grow for each town causing the towns with lower values to lose even more. He mentioned he was unable to provide his Town DPW Superintendent with the additional funds he requested to pave roads because the funds were not available as compared to another town, whose allocated over one million dollars for this purpose in their town because they received a sufficient allocation from sales tax. He pointed out residents in the Town of Bolton were paying $.52 per thousand as compared to Lake Luzerne residents, who were paying $3 per thousand. He suggested the business owners should get together and do a comparison as to what each was paying, as the Sagamore Resort in the Town of Bolton was paying $.51 per thousand and the Fort William Henry in the Town of Lake George was paying close to $2 per thousand meaning in order to remain steady they would have to charge around $30 more for room rentals. He voiced his opposition to the 50/50 proposal, apprising he would be more in favor of something in the middle that would assist towns such as his who were struggling to keep up with the tax cap. He said he would like to go back to the figures from 2003 when the Town of Bolton was at 10.5% and the Town of Lake Luzerne was almost at 5% as compared to now when Bolton was over 16% and Lake Luzerne was down to 3.9%, pointing out his town was decreasing, as compared to Bolton, who had increased. He commented his only complaint was he wanted a fair share for the Town of Lake Luzerne, as there was nothing that could be done to increase the value of the homes located there which, he noted, they were paying their fair share of $3 per one thousand of assessed value on; he pointed out the Town of Bolton was able to pay such a minimal amount due to the amount of sales tax revenue they received. He stated is was necessary for the Board members to work together more to ensure the smaller towns were not bankrupted.

Supervisor Leggett thanked Chairman Conover for scheduling this meeting and Mr. Moore for compiling the information in the presentation. He apprised the premise of sales tax allocation was based on assessed value and he questioned how they could devise something else out of that. He stated in the Town of Chester there was 2,050 homes, but according to the 2010 census they had 1,300 households meaning they had a significant amount of seasonal residents. He mentioned $450 million of the $744 million total assessed value for the County was comprised of the lakefront communities. He said it was imperative to include the residents who paid the bulk of the taxes in their towns in the discussion regarding a possible changeover to basing the sales tax on population.

Supervisor Geraghty remarked he was impressed with the presentation, but he would require additional time to study it. With regard to Supervisor Simpson's comments regarding how the tax base in Horicon was so limited due to the significant amount of land located in the Adirondack Park, he informed the Town of Warrensburg had $20 million worth of property that was exempt from property tax for which $9 million belonged to the State and Warren County. He said the other exempt property was the Hudson Headwaters Health Network facility, noting he was pleased it was located there because of the number of people it brought to his community to spend money. He remarked he had no issue with sales tax allocation being based on assessed value, but he would like to see additional funding and he asked the residents to urge their elected officials to assist his town because they received no benefit from the State and County DPW garages being located there, as was true for Countryside Adult Home and the Fish Hatchery being there other than from those who worked there. He added the Town of Warrensburg did not charge the County for their water use because many years ago the County allowed the Town to drill wells on the site near Countryside Adult Home. He apprised the County Fairgrounds was located in the Town of Warrensburg and could never be sold unless the State adopted special legislation due to it being classified as park property. He informed these were some of the things that hurt him as the Town Supervisor and was why he brought it up. He remarked he was aware that all the Town Supervisors struggled with their budgets and he suggested those with lake front properties lean on their Town Assessors to lower the assessments for these properties.

Supervisor Braymer advised the City of Glens Falls was struggling, as well and she pointed out the Glens Falls Hospital, which was used by everyone in the region was located there and was tax exempt. She remarked this was a difficult situation that centered around County funds that they needed to take their time and move forward cautiously as requested by the business community. She continued, she felt an additional workshop meeting was required, apprising she was curious to see what Chairman Conover's plans were for moving forward.

Supervisor Driscoll voiced his concern that according to a number of reports he had read citizens were moving out-of-State due to the high tax rates here. He said he was originally from the area just outside of Cape Cod, Connecticut where the majority of the homes used to be seasonal, but were now becoming family homes. He said his understanding is that about 30% of the properties in Warren County were rentals, more so in the City of Glens Falls and the Town of Queensbury; he stated if the Board members intent was to attract young families to move here, as well as to encourage the older residents to stay here after they retired and continue to contribute to the economy the decisions that they made during this process were important.

Supervisor Strough advised for the record that the Town of Queensbury had $408 million in tax exempt properties located there.

Supervisor Wild questioned whether the County could not move forward with a change unless the City of Glens Falls decided to opt out of the current situation and Mr. Moore replied in the negative. Mr. Moore explained the County would have to get the attorneys for New York State Taxation and Finance involved to determine whether State Legislation would be required to change the current formula. He said when a City preempts it lead the County back to the position everyone started in which allowed the County to keep all of the money or come up with a different distribution formula which incorporated population of whatever the desire was in what was considered to be a "beginning scenario" which required the State Comptroller's approval. He mentioned if they were to move forward with a change that would impact the special distribution to the City of Glens Falls which was written into the Law than the State law may have to be amended. He added State legislation would be required if the City continued to preempt and the Board decided to change the distribution for the revenue raised outside of the City because the State law dictated that 50% of these funds be disbursed according to assessed value. He stated if they wanted to codify into the tax distribution something that would only be disbursed from the County's share then a State law would be required. He continued, if their desire was to do it year by year and do some form of revenue sharing appropriation out of the County Budget and make it a County expense, State law would not be required, but a resolution would have to be adopted on an annual basis.

Supervisor Simpson apprised another option he felt was fair and removed the murkiness of what had created this problem was to keep all of the Warren County sales tax which was originally enacted to offset the cost of County Government with the County. He said this would mean Town Board's would be solely responsible for the town's tax rates charged to their residents making the County Budget more comprehensive. He indicated if they were to move forward in this fashion they could discuss how the County could provide assistance to areas which required addressing.

Supervisor Braymer indicated she felt they should look into why the Towns were applying their sales tax distribution to the town budgets instead of applying it all back to the County tax burden and what the impact would be if they no longer did this at a future meeting. Chairman Conover interjected that the decision to apply the sales tax distribution to the town budgets to decrease them was made during the 1980's, pointing out none of the current Board members were involved with the Board at that time.

Supervisor Thomas remarked he concurred with Supervisor Simpson's suggestion, as he believed it was an appropriate way to handle the matter and would hold the municipalities accountable for their actions.

Mr. Moore stated that he would calculate these figures with the assumption that the City of Glens Falls would continue to preempt and this would only impact the sales tax collected outside of the City limits.

Supervisor Beaty voiced his opposition to keeping $27 million in sales tax revenue for the County, as this would provide the County with additional money for projects such as the $20 million Court House Expansion which could have been done for $5 million. Chairman Conover interjected that Supervisor Beaty was misunderstanding what Supervisor Simpson was suggesting, as the credit would be applied against each municipalities County tax as opposed using it as part of the Town Budget to credit it against their town tax. He said as indicated in Mr. Moore's presentation it was the same dollar, but there was an argument to be made in terms of transparency regarding that issue.

Supervisor Simpson stated if the $27 million of sales tax revenue that was allocated to the towns remained with the County, the County Tax levy would be reduced by that amount. He added none of the towns or the County would be coming away with any additional funds nor would the funds be used to build another building. Chairman Conover added the Town's shares would be proportionate based on their share of the assessed value.

Chairman Conover advised he would like to comment as the Supervisor from the Town of Bolton, informing his Town had always paid their fair share and would continue to do so. He mentioned if there were things that needed to be included in the County tax levy that were currently not in than the Supervisors should be adding these in. He said once these expenses were added the Town of Bolton would pay their 15.4% share of that expense, but he would not vote in favor of any plan that would increase his towns share to upwards of 28% nor would he vote in favor of a plan that took money away from any municipality, as this was wrong and would traumatize the municipal budgets, the local taxpayers and business community. He informed he was open to all suggestions and he was interested in the subject matter, but he cautioned the Board members it was necessary for them to tread carefully moving forward, as one option took a municipalities tax rate to zero while another one would be paying three hundred times what that municipality would be paying toward the County levy. He stated the purpose of the County tax levy was to pay for the things they were unable to pay for independently or that they preferred to do collectively. He concluded by informing he was willing to consider any suggestions the Board members may have, but he would prefer to consider it as part of the County tax levy as opposed to turning the County tax structure on its head.

There being no further business to come before the Board of Supervisors, on motion made by Supervisor Simpson and seconded by Supervisor Hogan, Chairman adjourned the meeting a 3:15 p.m.