

**WARREN COUNTY BOARD OF SUPERVISORS
SPECIAL BOARD MEETING
WEDNESDAY, MARCH 12, 2008**

**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 Wednesday, March 12, 2008 at 8:30 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 two (2) items relative to the Gaslight Village/Waxlife USA property purchase;
2. Discussion of report from Treasurer on bonding recommendations;
3. Discussion of the status of the 2008 Budget and 2009 projections; and
4. 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.

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 8:30 a.m.

Mr. Frederick Monroe presiding.

Salute to the flag was led by Supervisor Taylor.

Roll called, the following members present:

Supervisors Simmes, Monroe, Girard, Taylor, O'Connor, Kenny, Belden, Bentley, Goodspeed, Tessier, Merlino, Stec, Strainer, Champagne, VanNess, Sokol, Thomas, Haskell, and Geraghty - 19.

Absent: Supervisor Sheehan - 1.

Chairman Monroe turned the meeting over to Paul Dusek, County Attorney, to discuss issues that had developed in relation to the purchase of the Gaslight Village property and he added these discussions were necessary due to the planned closing on the property that was scheduled for Friday, March 14, 2008.

Mr. Dusek apprised that the Gaslight Village transaction which involved seven parties had been extremely complicated. He reminded the board members that the planned closing had been for February 29, 2008; however, he said, that had been delayed until Friday, March 14, 2008, due to some of the documents and parties involved not being ready. He noted that during the past week two new issues had arisen, although he believed both had been satisfactorily resolved. He stated that the Wood Foundation had requested to be released from any contamination that may be on the property and to also cap their liability at \$100,000. Mr. Dusek added that while it was believed that the contamination would be approximately \$30,000, he was not comfortable by the risk factor of being exposed by the municipalities. He reported that yesterday the Wood Foundation had agreed to waive the request to be released and would bear the cost of the clean-up of any contamination. He did point out that at one time, the County was going to hold the escrow agreement; however, he said, now the Attorney for the Foundation would, which he felt made sense because they would bear the responsibility of paying for it.

Mr. Dusek explained another issue concerned the northeastern portion of the property, which was towards Beach Road and provided access to the Steamboat Company, which contained a whole host of issues. He listed the problems as follows: an encroachment by the Fort William Henry on part of the property; encroachments by the Steamboat Company on part of the property; and rights by the Steamboat Company to park vehicles on the property. He noted the County also had a ROW (right-of-way) which needed to be resolved. Pursuant to discussions with the Steamboat Company, Mr. Dusek advised, the Company had offered the County a portion of their parcel allowing for access off of Westbrook Road, as well as an offer to construct a ten-foot walkway from Beach Road up to the County's property. He added that the Company would prefer that the County not have vehicles in that area due to the high level of congestion there already.

Mr. Dusek expounded the County had not yet agreed to any of this, and would not be able to until after the closing on the property. He noted he was requesting the flexibility to modify various documents to allow for those options at a later date.

Mr. Tessier stated that his only concern was that if a walkway were constructed, that it be wide enough to allow for emergency vehicles to travel on if necessary. Mr. Dusek confirmed that before any agreements were reached, he would return to the Board of Supervisors for approval to move forward.

Mr. Dusek said those were the two issues that had triggered the Special Board meeting; however, he noted, three more issues had recently arisen. He explained that the original resolution which authorized the Agreements had outlined the ownership rights of the property as follows: 65% Warren County; 17½% Village of Lake George; and 17½% Town of Lake George. He noted that the attorney's involved recalled that the Village and the Town had put forth \$100,000 in the beginning of the process to obtain an extension of time for the purchase of the property, prior to the County becoming involved, and that extension had lapsed which was when the County got involved and began the negotiations for the purchase. Mr. Dusek said that because of that \$100,000 put forth by the Village and Town, they would like their interest in the property to be increased to 19% each; thereby decreasing the County's interest to 62%.

The next issue, Mr. Dusek apprised, was that the Conservation Easement that had been approved required revisions to reflect the Wood Foundation as a separate entity, making only certain representations, whereas the municipalities were now considered more of the 'grantors' making those representations contained within the Easement. He added another issue that was currently being negotiated was the warranty that the three environmental groups (3 E's) had required of the municipalities on the property and they were working on that. He clarified that he was requesting that with regard to the Easement and the modifications, that the Chairman of the Board be authorized to approve or disapprove any of the changes that occurred.

The final issue that had been raised, Mr. Dusek said, was regarding the taxes on the property. He explained that the taxes on the property were not paid last year and therefore the school taxes had been carried over to the January tax bill and the Wood Foundation had not paid that bill. He further explained that this occurred because the Foundation was anticipating selling the property and the closing date kept getting delayed. He stated the other reason was because there had been an agreement whereby the 3 E's would pay the Foundation for an extension of time due to the time lapse of the closing, and as a result, interest and penalties had accrued on the taxes. He noted that a request had been made that the County waive the interest and penalties. Currently, he stated, the way it was structured it appeared that the 3 E's would pay most of the interest and penalties because they were responsible for paying the taxes during that time period.

Mr. Geraghty questioned the dollar amount of the taxes and Mr. Dusek replied he did not have the exact figures with him; however, he said, he would "guesstimate" they were in the vicinity of \$100,000 and the penalties would be high as well, probably several thousand dollars.

Motion was made by Mr. Tessier, seconded by Mr. Bentley and carried unanimously to waive the rules of the board requiring a resolution be in writing. Clerk noted it would be Resolution No. 170 of 2008 for the record.

Mr. Tessier asked what portion of the taxes were school taxes and Mr. Dusek responded approximately \$50,000. Mr. Tessier said that in the past, the total amount of taxes on that property was \$90,000 and a large portion of that was school tax. Mr. Dusek advised he would obtain a breakdown of the taxes prior to the end of this meeting.

Mr. Haskell expressed his concern with waiving the interest and penalties on the property. He noted that the County had never granted such a privilege to the taxpayers of the County. Chairman Monroe said that the argument was that the County had delayed the closing on the property which was not similar to taxpayers situations in the County. Mr. VanNess added it was not the full fault of the County that the closing was delayed.

Chairman Monroe suggested that the Board take action on the other issues listed by Mr. Dusek and hold on making a decision regarding the taxes at this time.

Motion was made by Mr. Haskell, seconded by Mr. Geraghty and carried unanimously to

approve the changes in ownership rights to 19% Village of Lake George; 19% Town of Lake George; and 62% Warren County. Clerk noted it would be Resolution No. 171 of 2008 for the record.

Mr. Dusek stressed that the original deal in which the County was purchasing 2½ acres of property, the stormwater project and building uses would not be changing. He clarified the revisions being discussed were just technical and legal issues that had to be worked out.

Chairman Monroe requested that Mr. Dusek explain the resolution that was needed regarding the Easement. Mr. Dusek apprised the resolution on the Easement would be to amend Resolution No. 153 of 2008 to allow the Conservation Easement to be amended to cover various issues concerning warranties made by the municipalities to the environmental groups; to adjust the representation and covenants made by the Wood Foundation; to provide for any other technical revisions that may come about; and, if advisable, provisions to allow adjustments to the walkway and acquisition of property from the Steamboat Company in the future.

Motion was made by Mr. Goodspeed, seconded by Mr. Thomas and carried unanimously to amend Resolution No. 153 of 2008 as outlined above by Mr. Dusek and to authorize the Chairman of the Board to negotiate changes and execute any necessary documents related to the Easement. Clerk noted it would be Resolution No. 172 of 2008 for the record.

Mr. Dusek exited the meeting to obtain the numbers related to the taxes on the Gaslight Village property.

Chairman Monroe apprised another item for discussion today was the 2008 Budget and the projections for the 2009 Budget. Pursuant to a meeting held last week regarding the budget, Chairman Monroe said, it was determined that the board members needed to be aware of the projections for the 2009 Budget and steps that needed to be taken now to rectify the situation in order to reach a reasonable level of increase of 3%. Chairman Monroe stated that currently, the projections were at a 12.26% increase, which he felt was very unacceptable, and that percentage was based on an estimate of \$4.3 million to be raised by tax.

Chairman Monroe advised in order to reduce the 12.26% increase to a 3% increase, a reduction in expenses of approximately \$3 million would be needed for the 2009 Budget. He noted there were a number of things that could not be changed; however, he said, they needed to look at the things that could be changed. He added one item that could be controlled was the bonding for the new Health and Human Services building and the estimated debt service for the following year would be \$1.3 million, if bonded this year. He said if it were bonded with interest only for next year, the debt service amount would be reduced by approximately \$900,000. Chairman Monroe stated it was expected that in 2010 the debt service reserve would pay the bond payments on the Burn Plant. He expounded that another item was the Hartford Landfill which the County had half ownership of, and an offer had been made several years ago in the amount of \$3.2 million to purchase that; however, he said, at that time the County did not pursue that offer. He added if the sale of the Hartford Landfill was aggressively pursued, that would be a substantial contribution towards reducing the County Budget.

Chairman Monroe apprised other items that were discussed which would assist in expense reductions were as follows: to enforce a hiring freeze; authorizing the Administrator to approve new hires prior to any referrals going to the Personnel Committee; to enforce through the Finance Committee, no new monies in individual department budgets would be considered until the end of the year, thereby having departments make transfers within their existing budgets in order for there to be no changes or reductions of the Contingent Fund or surplus; and consideration of a budget freeze for 2009. He added that the Treasurer also thought there may be some items that should not be bonded in the DPW proposal.

Chairman Monroe announced he just received a new projection of a 25% increase to the Budget, as opposed to the 12.26% increase he had stated earlier. Chairman Monroe requested that Francis O'Keefe, County Treasurer, discuss his recommendations on the proposed bonding.

Mr. O'Keefe advised he could only present "guesstimates" based on the current status of the County. He said that one of the problems was that the County had relied on the Fund Balance for the past eight years and in 2000 the Fund Balance totaled \$20 million and increased to \$23 million in 2002. Currently, he stated, the projection for the Fund Balance at the end of 2008 would be approximately \$1 million. He noted one item that had to be done was the construction of the new Health and Human Services building, and the hope was for construction to begin this year. Chairman Monroe noted that the possibility had been discussed to delay construction and bonding until next year; however, he added, there was a desperate need for the building now and the interest rates were low and attractive right now, as well. Therefore, he said, it was probably best to finance the building now, with the option of paying interest only in 2009, due to the theory that in the near future the County would be relieved of a \$3 million obligation to the Burn Plant. He stated that there would also be a payment in 2011 from Wheelabrator of approximately \$2.5 million. Mr. O'Keefe said there may be a question as to when the final payment from Wheelabrator would be made, although more research was needed to determine that.

Mr. O'Keefe returned to the items that needed to be accomplished for the County this year as follows: the new Health and Human Services building at a cost of \$16.9 million; the Point of Care System at a cost of \$600,000; and the new Office for the Soil & Water Conservation District at a cost of \$600,000. He reminded the board members that all of these amounts were estimates. He said the total amount of funding needed for the proposed projects this year was approximately \$18.1 million. He suggested the means to fund these items by bonding \$1.2 million (the \$600,000 for the Point of Care and the \$600,000 for the Soil & Water Conservation District Office) over a five year period as opposed to a twenty or twenty-five year period. He said if the County pushed off the interest only for 2009 it would be approximately \$45,000 and the average payment on both buildings would be around \$328,000, amounting to \$1.359 million.

Mr. O'Keefe apprised that according to the current interest rates for the bond itself, the totals would be as follows: a twenty year bond, a cost of \$26.5 million; twenty-five years, a cost of \$29.6 million; and a thirty year bond would cost \$33 million. Again, he said, these figures were only "guesstimates". He stated that other bonding that had to be done included \$3 million for the 2005 flood damage, \$2.3 million for the DPW equipment, \$1.2 million for Gaslight Village,

\$1 million for the Airport hangar, \$1 million for the Higher Education Building at Adirondack Community College, \$429,000 for the railroad and \$250,000 for bridge repairs. He noted these amounts totaled an additional \$9.179 million needed. The total bonding for 2008, he added, was \$18.1 million, coupled with the \$9.179 million, totaling approximately \$28 million; thereby averaging a total debt service of \$45 million. He reminded the board members that the total debt service in 2000 was \$4.5 million, with a \$23 million surplus.

Chairman Monroe thanked Mr. O'Keefe for providing the board members with that information. Mr. Geraghty said the purpose of this meeting was to inform the Supervisors of the County's financial status and to make everyone aware that it was time to cut back on spending. He added that department heads needed to start working within their budgets and to learn how to do more with less.

Chairman Monroe announced that the County Facilities Committee meeting scheduled for 11:30 a.m. today had been cancelled.

Chairman Monroe acknowledged that Shane Ross, Chief Deputy, was present and wished to address the Board. Chief Deputy Ross apprised that he and Todd Lunt, Director of Human Resources, had been working together in developing new security for the Municipal Center and he distributed a diagram of the proposed system, a copy of which is on file with the minutes. He noted that the Sheriff's Office had been awarded grant funding last year in the amount of \$54,000 for a security system, although the funds had not been received yet. He reminded the board members of the grant application that he had prepared in 2003 and was awarded which led to the implementation of the County ID tags worn by all County employees. He added that they had been working in conjunction with Linstar, which was a security company that had done the ID tags and also the security systems at the Airport and the Sheriff's Office. Chief Deputy Ross advised they were awaiting the award of the grant, which would provide security to the sensitive areas of the building, such as the basement. He reviewed the diagram of the proposed security system with the board members in detail and said he would be happy to answer any questions. Chairman Monroe thanked Chief Deputy Ross for the update.

Mr. Belden introduced Resolution No. 169 of 2008, which would authorize the DPW to repair a culvert pipe on County Route 60 and to amend the agreement with the Town of Warrensburg regarding the abandonment of a portion of Harrington Hill Road.

Motion was made by Mr. Belden, seconded by Mr. Bentley and carried unanimously to approve Resolution No. 169 of 2008 as outlined above.

Mr. Dusek returned to the meeting and announced he had obtained the numbers in relation to the taxes on the Gaslight Village property. He said the school tax that was not paid in 2007 totaled \$29,061.31 and the 2008 County/Town tax totaled \$27,466.28. The interest and penalties on both of those, he added, had been calculated to be approximately \$3,205, which the Wood Foundation was requesting to be waived.

Motion was made by Mr. Girard and seconded by Mr. Thomas to waive the interest and

penalties on the Gaslight Village property.

Mr. Haskell stated again that he was not in favor of waiving these fees, especially when the County had never done such a thing for the taxpayers and he did not feel it should be done for a not-for-profit group. Mr. VanNess said he agreed with Mr. Haskell. Mr. Dusek clarified it was just a request that had been made by the Foundation that he needed to present to the board members. Mr. Girard noted the amount requested to be waived was minuscule in the overall deal of the purchase of the property. Mrs. Simmes added that as a Tax Collector for twenty-five years, she was never allowed to waive the interest or penalties for anyone.

Following discussion, Mr. Monroe called the question and the motion failed, with Messrs. Girard and Thomas voting in favor.

Chairman Monroe advised there was one more issue to be brought before the board members today. He acknowledged John Wappett, Public Defender, had an informational update for the Supervisors. Mr. Wappett advised that he was informed by the State Comptroller that the Indigent Legal Services Fund that provided State funding to counties in order to enhance their Assigned Counsel/Public Defender systems had determined that Warren County would not receive any funding for 2008. He explained that because the County had spent less in 2007 than it did in 2006, no funds would be awarded for 2008. He briefly explained the system and the idea behind the Indigent Legal Services Fund. He added that if a county cut back on their legal defense services and let the State take over, that county would lose all State funding for the following year. In Warren County, he said, he could not predict the amount of State funding for each year, he could only estimate it based on the previous year. He noted in 2007, the County had received \$199,000 from the State; however, Mr. Wappett, explained, the overall expenses for his Departments' services were less than that; therefore, funding for 2008 from the State was eliminated. He said he wanted the board members to be aware of the eliminated funding for the Indigent Legal Services this year for Warren County and added that thirteen other counties had been disqualified as well. Chairman Monroe thanked Mr. Wappett for the update.

There being no further business, on motion by Mr. Belden and seconded by Mr. Tessier, Chairman Monroe adjourned the meeting at 9:57 a.m.