

**WARREN COUNTY BOARD OF SUPERVISORS
BOARD MEETING
FRIDAY, JULY 18, 2008**

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 10:00 a.m.

Mr. Frederick Monroe presiding.

Salute to the flag was led by Supervisor Tessier.

Roll called, the following members present:

Supervisors Simmes, Monroe, Girard, Sheehan, Taylor, O'Connor, Kenny, Belden, Bentley, Goodspeed, Tessier, Merlino, Stec, Strainer, Champagne, VanNess, Sokol, Thomas, Haskell, and Geraghty - 20.

Chairman Monroe began the Board meeting by recognizing Supervisor Tessier's upcoming 80th birthday with a proclamation honoring him for his tireless dedication to the Warren County Board of Supervisors, as well as the residents of the Town of Lake George, and thanking him for his efforts. Chairman Monroe stated that he had known Mr. Tessier for some time and it had been his pleasure to serve on the Board along with him. A round of applause and standing ovation followed the presentation.

Motion was made by Mr. Belden, seconded by Mr. Bentley and carried unanimously to approve the minutes of the June 20, 2008 Board of Supervisors Meeting, subject to correction by the Clerk of the Board.

Chairman Monroe declared the Public Hearing on the proposed Local Law No. 8 of 2008, open at 10:01 a.m. and requested the Clerk read the Notice of Public Hearing.

Clerk read the Notice of Public Hearing.

There being noone wishing to speak on proposed Local Law No. 8 of 2008, Chairman Monroe closed the Public Hearing at 10:02 a.m.

Chairman Monroe advised that Jeanine Rodgers Caruso, of Fiscal Advisors & Marketing, Inc., was in attendance to present the bonding recommendations and scenarios identified by her firm. Ms. Caruso apprised that she had been working with both the County Treasurer and the Budget Committee in reviewing the County's debt financing needs, the majority of which related to the proposed \$19.1 million Health and Human Services Building (HHSB) Project. She distributed a document detailing her findings with respect to the matter, a copy of which is on file with the minutes. Ms. Caruso advised that the first page consisted of the debts incurred by the County and she noted that BAN (Bond Anticipation Notes) had already been obtained for some of these items. She added that although Adirondack Community College (ACC) was listed, a footnote denoted that this debt had not been included in her calculations as ACC was ultimately responsible for the debt service. Similarly, Ms. Caruso stated that BAN's had already been obtained for the road repair costs listed; therefore, she said they had not been included in her calculations either. She explained that a total amount of \$24.9 million was needed to fund the HHSB Project and remaining debt issues.

Scenario 1, Ms. Caruso advised, calculated the weighted average life of all outstanding projects requiring funding and the amount of financing needed. She said that this scenario would include the issuance

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of one combined bond in 2008 for the total \$24.9 million to address all financing needs which could be amortized over the allowable useful life of 26 years, resulting in a cost of \$1.67 million annually.

Ms. Caruso stated that she recommended that the County consider Scenario 2, which suggested the issuance of a BAN in the amount of \$10.88 million that would include \$5 million to start the HHSB Project and another \$5.88 million to fund the remaining project debts. She said that she had assumed an interest rate of 2.75% per year, equating to approximately \$299,000 in interest fees, which would be the County's only expense in 2009. Ms. Caruso advised that a principal payment on the bond would not be assessed until 24 months after the BAN was issued.

Scenario 3, Ms. Caruso explained, assumed that the County would issue a bond in the full amount of \$24.9 million to finance the HHSB facility and the remaining outstanding projects in 2009. This scenario would include a 25 year amortization with an increased interest rate of 4.75%, leading to annual costs of \$1.73 million to finance all of the projects in which the County was currently involved.

Mr. Girard noted that not all of the projects requiring funding would incur the same BAN length and he asked if this was accounted for. Ms. Caruso replied that a weighted average useful life had been estimated for each of the projects to address these concerns and the useful life would be outlined in each Bond Resolution. She noted that New York State Local Finance Laws allowed the use of weighted average useful life, which had been used to accumulate the 26 year bond length. Ms. Caruso said that if the Committee decided to bundle the BAN's differently they could do so to include separate amortization schedules for each project; however, she added, the problem with this approach was that it would heavily weight the principal retirement at the beginning and would not allow for the debt service to be smoothed out over the entire BAN term. Ms. Caruso noted that they were also trying to anticipate the payoff of the Burn Plant and the ability to use those funds to reduce the impact to the Budget for bond costs.

Chairman Monroe noted that the suggestion made by Ms. Caruso, as outlined in Scenario 2, was along the lines of what the Budget Committee had expected and would assist the County in alleviating debt issues for 2009. He apprised that it had recently been found that the County was substantially under budget on the payments for the Burn Plant, by approximately \$1 million per year, as electric revenues were higher than expected, which was good news. Chairman Monroe agreed that Scenario 2 seemed to be the best assistance for the County during the crucial 2009 Budget period and he thanked Ms. Caruso for her presentation.

Chairman Monroe declared the Public Hearing on the proposed Airport Real Property Lease Agreement with ESMI Flight Services, LLC open at 10:15 a.m. and requested the Clerk read the Notice of Public Hearing.

Clerk read the Notice of Public Hearing.

Michael O'Connor, Esq., of the Law Offices of Little & O'Connor, spoke on behalf of his client ESMI Flight Services, LLC. He presented his client's request that the lease language be changed to read ESMI of NY, rather than ESMI Flight Services, LLC, as ESMI of NY had the appropriate assets to more easily obtain the letter of credit required by the County.

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Chairman Monroe noted that this change would alter the Notice of Public Hearing that had been published on the matter and he asked if a second Public Hearing would have to be advertised and held to address this change. Paul Dusek, County Attorney, apprised that Mr. O'Connor Esq. had notified him of the change prior to the Board meeting, giving him the opportunity to review the Law as it pertained to this matter. Mr. Dusek advised that the Law stated that if the change was deemed to be a material change by the Board of Supervisors, a second Notice of Public Hearing would have to be published and held. However, he noted, he did not feel this matter served as a material change as none of the leasing terms would be altered and the intent of the lease was known. Furthermore, the lease agreement included a provision allowing for an assignment in the future with the consent of the Board of Supervisors and it was conceivable that this change could have happened later without the requirement of a Public Hearing, Mr. Dusek stated. He said that based on all of these instances he did not feel that the changes were material; therefore, a second Public Hearing would not be necessary.

Mr. Dusek said that if the Board was in agreement with this assessment they should vote to approve the lease later in the meeting when appropriate. As there was no disagreement from the Board of Supervisors, it was determined that a second Public Hearing was not necessary to address this matter.

There being no further discussion on the Airport Real Property Lease Agreement with ESMI Flight Services, LLC, Chairman Monroe closed the Public Hearing at 10:22 a.m.

Chairman Monroe asked if a SEQRA (State Environmental Quality Review Act) process was necessary in connection with the ESMI lease agreement and Mr. Dusek replied affirmatively. He explained that although the SEQRA review had been prepared in advance by Don DeGraw, Airport Manager, the Board of Supervisors was required to review the proposed responses and he asked Mr. DeGraw to explain these items for their approval.

Mr. DeGraw apprised that the SEQRA review consisted of seven questions relating to the possible impacts of the project to the Airport property, and he directed the Committee members to section IIC of the SEQRA Short Environmental Assessment Form which was included in their Resolution folders. A copy of the Assessment Form is also on file with the minutes. Subsequent to reviewing the Assessment Form, Mr. DeGraw stated that he had determined that the construction of T-Hangars associated with the ESMI land lease would have no significant impact on the Airport property or the community's existing plans or goals, nor would it affect the existing vegetation and wildlife.

Mr. Dusek noted that the final section of the Assessment Form asked for notation of any public complaint on the matter and he said that this question would be answered in the negative also, as there had been no opposition during the Public Hearing. He added that if the Board of Supervisors was in agreement with the assessments Mr. DeGraw had made, this would result in a negative declaration, meaning that the construction of T-hangars would have no significant impact on the environment and they should vote to approve Resolution No. 531, concerning the ESMI lease agreement, later in the meeting.

Chairman called for the reports by Committee Chairman on past activities and the following gave verbal reports:

Supervisor Haskell, County Facilities; Supervisor Thomas, Personnel; Supervisor Sokol, Planning & Community Development and Health Services; Supervisor VanNess, joint Public Safety and Public

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Works; Supervisor Champagne, Community College; Supervisor Stec, Finance; Supervisor Tessier, Social Services; Supervisor Belden, Public Works; Supervisor Kenny, Occupancy Tax and Supervisor Sheehan, Support Services.

Mr. Geraghty advised that the Budget Committee was getting ready for the beginning of the Budget process which would begin at the end of July with the receipt of Budget Sheets from the Department Heads, shortly after which Budget meetings would commence. Chairman Monroe noted that all Department Heads had been encouraged to submit cost savings ideas and Mr. Geraghty advised that they had received some suggestions which the Budget Committee would review to determine which should be pursued. He said that they were very pleased with the responses they had received and he asked that both the public and the Department Heads continue to submit their ideas.

In connection with the County Facilities Committee, Mr. Haskell reported that the Committee had approved a resolution to include the Apogee Energy Management System in the new HHSB. He said that because the Apogee System was used in both the Municipal Center and Westmount Health Facility Buildings, the energy management systems used by the County would be standardized. Mr. Haskell advised that a savings of \$15,000 had been guaranteed by Siemens Building Technologies, Inc. through standardization of the energy management systems. Mr. Haskell stated that Resolution No. 462 pertained to this matter and was included in the Resolution packet to be voted on.

Concerning the Personnel Committee, Mr. Thomas apprised that requests to fill a vacant Senior Legislative Office Specialist position in the Office of the Clerk of the Board and a vacant Building Maintenance Mechanic at the Countryside Adult Home were approved, as well as several requests for employees to attend training and a request for an increase in salary for the Undersheriff. He noted that requests for reclassifications in the Social Services and Tourism Departments had been approved and would lead to savings for the County.

Chairman Monroe noted that due to a lack of quorum, the Personnel Committee meeting had been delayed until he arrived to serve as a Committee member. He asked that any Supervisors unable to attend their Committee meetings contact the Clerk of the Board in advance so that arrangements could be made to avoid such delays in the future.

With regard to the Planning & Community Development Committee, Mr. Sokol advised that a New York State Local Waterfront Revitalization Grant in the amount of \$505,000 had been received. He said that pursuant to Committee discussion regarding the GIS (Geographic Information System) analysis issues concerning the Real Property System (RPS) forms and the information provided by the local assessors, a request had been made for each of the Supervisors to encourage their Town Assessor to standardize the nomenclature in the RPS. Mr. Sokol noted that Leonard Fosbrook, President of the Economic Development Corporation (EDC), had attended the meeting of the Adirondack Association of Towns of Villages in Lake Placid, NY, where he had learned that there were many programs which had not been scaled to the Towns located in the Adirondack Park Agency (APA) and another meeting was being scheduled to discuss this matter. Chairman Monroe interjected that attempts had been made to keep programs located within the APA's boundaries small while programs like the Empire State Development required larger programs to qualify, leading to an inconsistency in State policies. Mr. Sokol stated that Mr. Fosbrook had advised that the EDC's annual luncheon would be held on September 5th and the guest speaker would be Dr. John Kelly,

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who was the Senior Vice President and Director for Research at IBM.

Regarding the Health Services Committee, Mr. Sokol apprised that the Point of Care Project was very close to completion and they could look forward to the cost savings measures that went along with the Project. The most important factor, he said, was the billing cycle which was currently on a 45-day cycle that would be reduced to a cycle of less than one week. Mr. Sokol stated that a request was approved to fill the vacant position of Early Intervention Services Coordinator, as well as requests pertaining to a few contracts which required Committee action to amend. He advised that the New York State Department of Health (NYSDOH) had visited the County to perform their annual report, subsequent to which the NYSDOH team leader had advised that there were no deficiencies or violations to note and the Health Services Department staff was commended for their efforts. Mr. Sokol apprised that the three-year report for energy savings had been received from Brian Martz, Engineer for Siemens Building Technologies, Inc. and he noted that although the guaranteed savings for year three had been \$190,000, savings of \$300,000 had been realized. He added that the total savings for the first three years had been estimated at \$558,000, while \$890,000 was actually saved, further confirming that the energy management system was working. Mr. Sokol said that a good report had been received from the Financial Advisor for the Westmount Health Facility, Michael McCarthy, of McCarthy and Conlon, who continued to state that the Facility had a strong financial future. The last item he said, pertained to the Countryside Adult Home, wherein a request to fill the vacant position of Building Maintenance Mechanic had been approved, as noted previously by Mr. Thomas.

Chairman Monroe declared the Public Hearing on the proposed Airport Real Property Lease Agreement with L.S.L. T-Hangars, LLC, open at 10:30 a.m. and requested the Clerk read the Notice of Public Hearing.

Clerk read the Notice of Public Hearing.

Mr. Dusek apprised that the L.S.L. lease agreement would require the same SEQRA review process as had the ESMI lease agreement and he asked Mr. DeGraw to speak on this matter. Mr. DeGraw reviewed the SEQRA Short Environmental Assessment Form, a copy of which is on file with the minutes, during which he noted that the T-hangar project would have no significant environmental impact on the Airport property.

There being no public comment on the Airport Real Property Lease Agreement with L.S.L. T-Hangars, LLC, Chairman Monroe closed the Public Hearing at 10:33 a.m.

Resuming the reports by Committee Chairman, Mr. VanNess announced that there had been a joint meeting of the Public Safety and Public Works Committees to discuss the placement of the Emergency Services Training Center (ESTC) and he said he was happy to report that the information received from the FAA (Federal Aviation Administration) had been favorable. He said that the Committees had approved a resolution to remove the Airport use designation from two parcels of land that were desired for placement of the ESTC. Mr. VanNess added that this was Resolution No. 484 and would remove two parcels of land from the Airport property, pending positive results from the studies being performed on the property. Mr. Dusek noted that because the two parcels in question had never been designated by the FAA for Airport use, the County was able to change the designation by resolution, which was a much simpler process. Mr. VanNess stated that the parcels would not be re-designated until the results of the studies being performed had proven that the property could be used for the ESTC with no harmful effects to the Airport or the land. He added that if negative results were received the parcels would retain their current Airport use designation.

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Chairman Monroe interjected that a final agreement had yet to be reached between Warren and Washington Counties as to the ownership of the property. He said that although the Washington County representatives sought partial ownership of the parcel due to their significant contribution to the Project, it was the consensus of the Warren County Board of Supervisors that full ownership should remain with Warren County due to the fact that the parcel was located on the centerline of the Airport's runway. Mr. VanNess agreed with this statement and he noted that although this was an issue that would have to be addressed eventually, he said it was not of significant importance for this phase of the Project. He added that he felt an arrangement agreeable to both Counties could be reached when necessary and stated that Washington County had been very easy to work with during the process and had contributed their 50% of Project costs whenever necessary.

Mr. Champagne announced that two Community College Committee meetings had been held during the past month, one of which had been to review the status of the Regional Higher Education Center (RHEC) Building being constructed on the ACC campus. He said that the construction was proceeding on schedule within the specified budget and it appeared that the building would be available for some activity during the Fall of 2008, but would not be fully operational until January of 2009. Mr. Champagne stated that the RHEC would allow for four-year academic programs to be provided at ACC, which had been a long awaited goal for many of the people involved with the project. He added that an informal meeting had been scheduled for members of the Community College Committees from both Warren and Washington Counties to review the fund-raising efforts for the RHEC and to determine each County's financial contribution. Mr. Champagne advised that a second meeting of the Community College Committee had been held to discuss the proposed ACC operating budget for 2008-2009, the total of which was approximately \$22.7 million, of which Warren County was responsible for \$1.69 million, an increase of \$82,000 over the previous year. He said that the Committee had discussed the budget thoroughly with ACC representatives and had approved it, based on the fact that in order to maintain present standards enhanced funding was necessary due to decreasing enrollment. Chairman Monroe noted that there had been no increase in the amount of funding contributed to the ACC budget by Warren County in the prior year and this fact was taken into consideration when approving the proposed budget for 2008-2009.

Concerning the Finance Committee, Mr. Stec apprised that Resolution Nos. 468 through 478 had been approved by the Finance Committee and he reviewed them briefly. He noted that Resolution No. 479 included a request for a transfer of funds in the amount of \$165,000 to cover a shortage in the DPW Fuel Budget. Mr. Stec added that it was likely that this amount would also be depleted prior to the close of the year and that another request would be made for additional funding due to increasing fuel prices. He advised that Resolution No. 473 consisted of a request to establish a Committee to study mass transit services for residents in outlying areas as several Supervisors from the northern portions of the County had pointed out the difficulties of some residents in traveling for necessities due to rising transportation costs. Chairman Monroe pointed out that as he envisioned the situation, the Committee would be looking at the topic more broadly than just for mass transit necessities and would be reviewing any possible ways to assist residents in getting to work or appointments at lower costs than they currently faced.

Mr. Tessier advised that he had been unavailable to Chair his Committee meetings and they had been chaired by other Supervisors; therefore, he said that he had no report. Mr. Tessier noted that the Social Services Committee would be asking for an early Committee meeting as there were some resignations that had to be addressed.

With regard to the Public Works Committee, Mr. Belden advised that DPW requests to close several

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Capital Projects had been approved, with the remaining funds therein to be transferred to the General Fund; he added that these funds would be transferred back to the DPW budget as needed. Mr. Belden said that as Mr. Stec had advised, the DPW fuel budget had been expended and a request for an additional \$165,000 had been requested. He said that the DPW Committee intended to transfer funds to the extent they were able, before approaching the Budget Officer for additional funds. Mr. Belden apprised that during the Parks, Recreation and Railroad portion of the meeting, the Committee had discussed the fact that at the start of the Rail Station Improvement Project it had been assumed that a large majority of the work could be provided by DPW staff and it had since been discovered that County employees could not be used, leading to much higher construction costs for the project. He noted that after extensive discussion on the matter, the Committee had approved a contract with Clough, Harbour & Associates (CHA) for necessary construction inspection services. Mr. Belden noted that the estimated costs for construction of the Rail Station platforms was very close to the amount of funds remaining in the Capital Project.

Mr. Belden noted that the ownership transfer of the Kellogg Property from OSI (Open Space Institute) to Warren County was ongoing and he asked if Mr. Dusek had any update on this matter. Mr. Dusek replied that they had been awaiting the development of a plan for the Kellogg property prior to ownership transfer. He said that because the plan had not been developed, it could not be included in the agreement with OSI and therefore the transfer had not been made. Mr. Dusek said that as soon as the agreement was complete they would be ready to move forward with the transfer. Mr. Goodspeed interjected that the Town of Johnsbury had retained the services of the Elan Planning Group for the development of the plan and they would be making an official presentation on the proposed plan at a Town Board meeting scheduled for August 5, 2008. He added that subsequent to this presentation, the plan would be adopted by the Town of Johnsbury by formal resolution, at which time the plan would be presented to the County. Mr. Dusek stated that by this time line it would appear that the transfer would take place in the Fall of 2008.

With regard to the Warren County Sewer portion of the Public Works Committee meeting, Mr. Belden advised that the Town of Hague had received two bids on work for their portion of the sewer; however, he said the Town Board voted to reject both bids and seek out other bids for the project. He said that due to the Federal grant monies involved, the second bid opening would not be until August 18, 2008. Mr. Belden apprised that the decision to reject the bids received had been made based on the feelings of the approximately 100 people in attendance at the Town Board meeting. He thanked Mr. Lamy for all of his hard work in connection with the Sewer Project, as well as the number of informational meetings he had attended in the Town of Hague.

Chairman Monroe stated that at the prior Finance Committee meeting there had been discussion on the future of the Rail Station Project and the County Attorney had been asked to research financial implications of either delaying or abandoning the Project. Mr. Dusek distributed a document portraying the approximate accounting for the scenarios available to the Board of Supervisors in connection with the Rail Station Project; *a copy of the document is on file with the minutes.*

Mr. Dusek advised that to make the matter very clear and easy to discuss he had not included many of the other accounting figures that might be applied, such as the \$16,000 that might be saved in engineering fees as recently discovered. He said that although these figures had not been included, he did not believe that there would be any issue in understanding the overall analysis.

Mr. Dusek advised that in 2002, when the Project was originally planned as a \$2.5 million project, it was understood that the Federal Government would contribute 80% of whatever was spent to complete the

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Project. Initially, he said, the County was required to pay a \$500,000 Local Share, while the Federal Government would contribute \$2 million; however, he said, it was important to note that this was all based on a reimbursement arrangement wherein the County would be required to spend the money then apply for Federal reimbursement.

Mr. Dusek apprised that Scenario 1 included the implications of abandoning the Rail Station Improvement Project with no obligation to proceed or spend additional funds. He explained that to date, \$1,192,000 had been spent in connection with the Project, entitling the County to \$953,600 in Federal Grant reimbursement with a Local Share of \$238,400. Mr. Dusek noted that because the County had only paid \$71,000 of the Local Share, if they were to abandon the Project the County would still be required to pay the remaining \$167,400 of the Local Share. He said that although there was a possibility that these funds could be bonded, he could not guarantee this as he had not contacted the bonding authority on the matter. Mr. Dusek noted that if the County was unable to bond this amount, they would be required to pay the amount in full within 2008 or 2009.

Scenario 2, Mr. Dusek explained, included the completion of the Rail Station Improvement Project. He said that in order to complete the Project, approximately \$1,308,000 would be expended in addition to the \$1,192,000 that had already been spent, entitling the County to \$1,046,400 in Federal Grant reimbursement with a Local Share of \$261,600. Mr. Dusek noted that if the County proceeded under this scenario, they would owe a Local Share of \$261,600 in addition to the \$167,400 owed as the Local Share for funds already spent, totaling \$429,000. He said that the Bond Counsel had approved this amount for bonding over the next 15 years, which would require no payment for 2008 and only an interest payment in 2009 of approximately \$40,000. Mr. Dusek reiterated that the figures represented in the document might change due to prospective savings and grants, as well as increased construction costs or change orders incurred during the construction phase of the Project.

Mr. Dusek stated that in his review of the funding source he had found that the grant funds received had been comprised of Federal funds forwarded to the State for distribution to transportation projects. He said that in 2002, when the funding had been initially granted, the Federal Government had directed the State of New York to expend \$4 million on the inter-modal corridor stretching from the City of Albany to the Town of North Creek and that is how the \$2 million funding was received for the Rail Station Improvement Project. Mr. Dusek said that the Federal Law did not seem to include any repercussions as to what would happen if the Project was not completed as indicated and one could certainly make a strong case that the payments should not be repaid based on the fact that they had been used as intended. The problem, he stated, was that he had not reviewed the contract between the Federal Government and the State concerning the grant funds and in order to give a complete opinion on the future of the Project, he would have to review the document to be sure that there was no verbiage requiring repayment of the grant funds. Mr. Dusek said that he had been advised that the document would be very hard to obtain and he had been unable to access it prior to the Board meeting. He noted that one alternative would be to secure a letter from the Federal Government confirming that the County would not have to repay the grant funds; however, he advised, this would not be done quickly and it would probably be some time before any of this was confirmed in writing. In the meantime, he said, he had confirmed that if the County did not continue with the Project the \$1 million in Federal funding would be withdrawn in September as the grant had already been extended further than had been intended. Mr. Dusek stated that when he had discussed the possibility of another extension he had been advised that the grant agreement specifically stated that insufficient funds or a lack of readiness to begin construction were not viable reasons to extend the funding. He said that only lawsuits stopping the Project or other issues beyond the control of the County were sufficient reasons to further extend the grant funding.

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Mr. Dusek concluded that although it appeared that there was a good chance that the project could be abandoned with no requirement to repay the grant funds used, he could not guarantee this or direct the County to proceed in this matter without a written guarantee from the Federal Government to this effect. He added that regardless of the decision chosen, the County was responsible for the remaining Local Share of the grant funds spent, which was \$167,400.

Mr. Monroe pointed out that although it seemed a likely possibility that the County would not have to repay the \$953,600 in grant funding received, it was a substantial risk to take without absolute certainty as these funds were not available if repayment was required. In addition, he noted that the finances for the Project were worse in the short term if it was abandoned as the County would have to contribute the \$167,400, while if the project was continued the full amount of the Local Share could be bonded leaving no payment for 2008 and manageable payments for the years thereafter.

Mr. Haskell questioned if the full \$429,000 Local Share for the entire Project could be bonded and Mr. Dusek replied affirmatively. Mr. Dusek added that he had prepared an amendatory Bond Resolution as per the Bond Counsel and he recommended that if the Board decided to move ahead with the Project that they adopt the Resolution during the current meeting.

Mr. Haskell stated that although he was biased on the subject as he felt the train was an economic stimulus to the Towns of Lake Luzerne, Thurman and Stony Creek, he was in favor of continuing the Rail Station Improvement Project to completion. He noted that if a Capital Project had been established in 2002 at its start the funds would have been available to complete the Local Share and there would be no issue. Mr. Merlino said he agreed with Mr. Haskell's statements and added that while it had been noted that minimal revenue had been received through the Thomas the Train event held in the Town of North Creek, there were no estimations of the amount of income received by local stores and accommodations from the 15,000 attendees of the event. He said he felt the residual income generated more than compensated for the lack of income received from the train rides themselves.

Mr. Goodspeed stated that while he had initially supported further research on the possibility of delaying the Rail Station Project in light of current Budget constraints and the changing financial climate, pursuant to the information provided by Mr. Dusek, he now felt that if the Project was delayed and the Federal funding was withdrawn, the Rail Station Project would never be completed. He noted that in light of the short term costs and the lack of funding available, he wished to continue the Project.

Mr. Kenny pointed out that although they would be bonding a total of \$429,000 to complete the Rail Station Project they would actually be repaying an amount closer to \$600,000 due to the interest accumulated on the bond.

Discussion ensued with respect to the matter.

Motion was made by Mr. Haskell, seconded by Mr. Stec and carried to waive the rules of the board regarding the amended and restated Bond Resolution, with Mr. Kenny voting in opposition. Clerk noted that this would be Resolution No. 536 and the resolution pertaining to the Amendatory Bond Resolution for the Rail Station Improvement Project would be No. 537 of 2008 for the record.

Chairman Monroe apprised that after a recent Inter-County Solid Waste Committee meeting he had spoken with Stephen Lynch, Inter-County Solid Waste Coordinator and Financial Advisor for matters

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concerning the Burn Plant, who advised that costs related to the Burn Plant were substantially under budget, in the neighborhood of \$1 million for Warren County. He said that for a number of years they had been discussing the need for an end of term plan for the Burn Plant, once the major obligations of the Plant were paid off in 2011 and the Plant was sold. Chairman Monroe noted that they would have to decide what would be done to address the needs for solid waste disposal and he said that suggestions had been made to consolidate the needs of all Towns and Municipalities of Warren County to gain the best rate for these services. Mr. Champagne added that the County had been operating without a satisfactory recycling plan for some years and he feared that eventually NYSDEC (New York State Department of Environmental Conservation) would determine that something must be done and the County would then be responsible. He said that the development of a plan for action upon the closure of the Burn Plant would allow the County to determine an acceptable plan for the future and might also reduce costs by combining the solid waste needs of all of the Towns and municipalities. Mr. Champagne recommended that the County acquire the services of Mr. Lynch in connection with this matter to begin studies regarding how they should proceed in 2011 when the Burn Plant was sold.

Regarding the Occupancy Tax Committee, Mr. Kenny apprised that there had been two principal items of discussion, the first of which was an application for special events funding from Upper Hudson Festivals (UHF) for a Summer and Fall concert series, for which \$5,000 in funding had been requested. He stated that it was the opinion of the Committee that the Board should award \$4,695 for the event, based on the scoring of the UHF application. Mr. Kenny stated that the second topic of discussion pertained to the County becoming more aggressive in advertising events such as the Americade, the Fire Chiefs' Convention and the Elvis Festival, as well as any other events held in the area. He said the Committee had decided to do so and intended to use the approximately \$5,000 remaining in the special event funding category to provide such advertisement. Mr. Kenny added that the Tourism Department staff were currently working on producing ads which would then be forwarded to the appropriate parties for information on where it was best to advertise in order to draw additional events for the future.

Mr. O'Connor stated that although he had no information to report as Committee Chairman, he wished to express his feeling that the costs associated with the construction of platforms for the Rail Station Improvement Project seemed to be obscene. He said while he understood that the costs were elevated when it was determined that the construction services could not be provided by County staff, the costs still seemed to be over-inflated.

Mr. Taylor stated that he had nothing to report but also wanted to comment on the Rail Station Improvement Project. He said that while he was not involved in the Project when it started in 2002, he felt that it had been poorly planned and that an appropriate cost benefit analysis had not been prepared. Mr. Taylor said he feared that the County would end up with a seasonal Railroad as they did not have the appropriate equipment to clear and maintain the tracks during the winter months. In addition, he said he felt that in order to use the railway for freight transportation a large amount of money would have to be spent to ready the tracks for this use. Mr. Taylor concluded that due to the cost predicaments and Budget constraints, he was forced to vote for the advancement of the Rail Station Project unwillingly.

In relation to the Support Services Committee meeting Mr. Sheehan advised that the Board of Elections (BOE) had been required to complete a survey for submission to the State Board of Elections (SBOE) in preparation for the receipt of the new voting machines. He said that because the BOE Commissioners had some difficulty in appropriately answering some of the survey questions, Mr. Payne had arranged a meeting between the County Facilities Committee Chairman and the BOE staff, during which the

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survey had been completed. As for the Self-Insurance portion of the Committee meeting, Mr. Sheehan apprised that Amy Clute, Self-Insurance Administrator, had been directed to review the proposals for a Safety Officer to work with County staff in order to educate employees in order to reduce injuries and insurance costs. He added that Ms. Clute was to return to the Committee with her recommendations.

Mr. Girard apprised that he had attended a meeting of the Warren and Washington Counties Mental Health Committee during their budget preparations. He said that he was very impressed by the number of services provided and the budgets submitted by the ten different divisions covered under this Committee. Mr. Girard stated that the Mental Health divisions were hampered by budget cuts which were being made regardless of the fact that the need for the services provided continued to increase.

Chairman called for reading of communications.

Clerk read communications, including the following:

Minutes from:

Warren/Washington Counties IDA and its Executive/Park Committee;
Warren/Washington Counties Chemical Dependency Subcommittee.

Monthly Reports from:

Weights & Measures;
Veterinarian;
Probation.

Annual Reports from:

NYMIR. (New York Municipal Insurance Reciprocal)

Capital District Regional Off-Track Betting Corp., April 30, 2008 Financial Report and June surcharge in the amount of \$11,384;

Lake Champlain Basin Program, determination of eligibility of funds for the West Brook restoration project;

Dorfman-Robbie, Certified Public Accounts, Report of Audit of financial statements for the Warren Tobacco Asset Securitization Corporation for 2007;

Communications, resolutions and reports ordered placed on file.

Chairman Monroe announced that privilege of the floor would be extended for public comment.

Robert Flacke, CEO of the Fort William Henry Corporation, addressed the Board, stating his opposition to their decision to retain buildings in place on the Gaslight Village Property. He said that while he supported the decision to purchase the property for the purpose of establishing a much needed environmental project to resurrect and protect the wetlands in that area, he was not in support of the use of the existing buildings, which he said he did not feel were in usable condition. Mr. Flacke stated that both the Fort William Henry Corporation and the Lake George Steamboat Company, who were adjoining landowners, were currently in negotiations with the County to donate portions of their property to allow for

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a proper entrance to the area from Beach Road. He said that the negotiations were based on the assumption that the initial master plan developed for the Project would be enforced and that the property would be used to support environmental means and as festival space which would be created through the use of reinforced grass lawns providing an area for tents or vehicle parking. Mr. Flacke pointed out that the Lake George Steamboat Company had been the owner of the buildings located on the Gaslight Village Property that the County wished to retain during 1989 through 1991. He said that during their ownership the Lake George Steamboat Company had deemed that the buildings the County wished to retain were in poor shape during their ownership and no improvements had been made since that time, leading them to believe that their stability and current fire code regulations would add thousands of dollars to necessary rehabilitation costs. In addition, Mr. Flacke stated that he felt the use of the buildings was inappropriate as it would allow the County to compete with area accommodations, such as the Fort William Henry and the Lake George Forum, for event business. He noted that the County would have to support rehabilitation costs, as well as the costs incurred through the staff that would be necessary to manage the buildings and he said he wondered how the County planned to fund these costs. Mr. Flacke stated that the 3 E's (Environmental Groups) and the Village of Lake George sought to demolish the buildings, leaving only the County and the Town of Lake George in favor of keeping them. He concluded that the master plan for the Property called for an environmental project that would create a green space marking the entrance to the Village of Lake George which would separate it from all urban areas and he did not feel that retaining the buildings on site fit this plan, as they were a visual distraction. Mr. Flacke noted that there might be some issue with grant funding being reduced if the plans for the property were changed significantly. He asked the Supervisors to reject any resolution authorizing the procurement of the existing buildings and any expenditure of taxpayer funds for their rehabilitation.

Scott Walton, resident of the Town of Lake George, addressed the Board, stating that as a member of the working middle-class he fully supported the efforts to maintain and rehabilitate the buildings located on the Gaslight Village property. He said he felt the project had fallen into a "black hole" of environmental nonsense and felt that any disagreement with the views of the environmental groups was met with a complete lack of cooperation or mediation on their part. Mr. Walton cited the issues surrounding the matter as an example of the partisan politics demonstrated by the environmental groups which should not be tolerated. Furthermore, he said that to his knowledge, a firm Master Plan had not been developed for the Gaslight Village Property, but rather that it had been more of a work in progress. Mr. Walton urged the Board of Supervisors to vote in favor of saving the buildings on the Gaslight Village property.

Heather Engler, Warren County resident and student of SUNY (State University of NY) Potsdam majoring in Archeology, stated that in both her studies and in her personal life she had seen many old buildings destroyed and would like to see the buildings saved. She said that the buildings should be retained and she noted that the buildings were nearing 50 years in age, at which point they would be eligible for registration on the National Registry of Historic Places. Ms. Engler noted that she felt an investigation into the possibility of saving the buildings was to the benefit of Warren County residents.

Janie Green, resident of the Town of Lake George and member of the Zoning Board of Appeals, apprised that she had been involved in the tourism industry for most of her adult life and was in favor of saving the buildings on the Gaslight Village Property. George Green, resident of the Town of Lake George, stated that his family had lived in the area for the past eight generations, since the 1820's. He stated that many Warren County residents had jobs in the area which were based on tourism, which was what supported the local economy. Mr. Green said that encouraging tourism was a very important issue, especially in Lake George as it was a launching pad for anyone entering the Adirondacks. He stated that the buildings should

be retained in an effort to promote tourism as the life-blood of the County.

Kathy Muncil, representing the Fort William Henry Corp., stated that while the Master Plan for the Gaslight Village Property would clearly reflect the legality of what the County was able to do with the property, the real question was what was the right thing to do in terms of the growth and success of the County and everyone should be working together to develop plans in the best interest of the residents of Warren County. She pointed out that when comparing the Fort William Henry to the buildings on the Gaslight Village property for event planning there was no question that the accommodations at the Fort William Henry far outweighed what was available on the Gaslight Village Property. Therefore, Ms. Muncil added, the County would be wasting their time and money in rehabilitating the buildings as they did not have the capacity to compete.

With reference to the Master Plan for the Gaslight Village Property, Chairman Monroe interjected that he felt there might be some misunderstanding of the document. He said that there was a Master Plan for the Project; however, but it was also very clear there was substantial opposition among the Board to move ahead with the Project solely based on the Master Plan, which would restrict the use on the 2.5 acres owned by the County and would require demolition of the buildings in question. Chairman Monroe said it appeared that it had also be very clear that the Board of Supervisors would not approve the Project if the Master Plan was left in place with all of these restrictions; therefore, he said, a meeting had been held with Peter Bauer, Executive Director of the Fund for Lake George, to discuss opposition to the restrictions, at which time an agreement was made to remove the restrictions on the 2.5 acres owned by the County.

Mr. VanNess apprised that Chairman Monroe's assessment of the situation was correct in that the Project would not have been approved with the restricted use verbiage in place. Referring to the comments made by Mr. Flacke, Mr. VanNess stated that the County did not intend to use the existing buildings to compete with local business, but rather felt that taxpayer dollars could be saved on tent rental fees for special events through the use of the existing buildings. He added that a final decision had yet to be made as to whether or not the buildings would be retained; they only intended to authorize studies to determine if the buildings were structurally sound and had the potential to be used. Mr. VanNess pointed out that approximately \$250,000 was spent annually to rent tents for special events and if the buildings could be used to reduce this cost, taxpayer dollars could be saved.

Mr. Kenny said the Master Plan was a living document that had a number of changes made to it over the course of the negotiations with the 3E's. He said that the changes had culminated in a contract and he asked Mr. Dusek to speak on the contract that all parties had agreed to and signed. Mr. Dusek apprised that at a previous meeting he had read from the contract which said that the Municipalities could keep the buildings at their election, and this point had been made very clear in the contract. He noted that the buildings could never be turned into a convention center as this use was not consistent with the reasons for the purchase of the Gaslight Village Property. Mr. Dusek said that retaining the buildings for use during special events was consistent with approved uses, to which the 3E's had agreed.

Subsequent to discussion on the matter, Chairman Monroe apprised that currently, the Board of Supervisors would not be making any permanent decisions on whether or not the buildings would be retained. He said that the decision of the Board thus far had been to study the buildings carefully to determine if they could be rehabilitated, at which time a plan would be developed and a public hearing held thereon.

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Chairman called for reading of resolutions and discussion.

Joan Sady, Clerk of the Board, advised that Resolution Nos. 459 through 528 were mailed, Resolution No. 459 had been amended and was being distributed and she noted that Resolution No. 498, which amended the Table of Organization, would require an amendment as it did not include an adjustment to the salary of the Undersheriff which was approved at the Personnel Committee meeting. Mrs. Sady advised that a motion was necessary to approve amendments to Resolution Nos. 459 and 498.

Motion was made by Mr. VanNess, seconded by Mr. Mr. Thomas and carried unanimously to approve amendments to Resolution No. 459 and 498 as outlined above.

Mrs. Sady advised that although it was not listed as such on the Resolution Index, Resolution No. 529 would require a roll call vote. In addition, she stated that a motion was needed to bring Resolution Nos. 458 and 529 through 537 to the floor.

Motion was made by Mr. Sheehan, seconded by Mr. Kenny and carried unanimously to bring Resolution Nos. 458 and 529 through 537 to the floor.

Mrs. Sady stated that a motion was necessary to amend Resolution No. 531 to change the lessee name from ESMI Flight Services to ESMI of NY as discussed previously in the meeting.

Motion was made by Mr. Geraghty, seconded by Mr. Kenny and carried unanimously to amend Resolution No. 531 to amend the lessee name from ESMI Flight Services to ESMI of NY.

Mr. Kenny requested a roll call vote on Resolution No. 491, Authorizing Supplemental Agreement No. 4 with Clough, Harbour & Associates, LLP for Part- Time Construction Inspection and Administrative Services Associated with the Warren County Scenic Rail Station Improvements Project; Resolution No. 492, Awarding Bid and Authorizing Agreement with Mercer Construction Company, LLC and Hour Electric Co., Inc. for General and Electrical Construction Relative to the Construction of Warren County Rail Stations, Town of Hadley and Town of Thurman, and Resolution No. 533, Awarding Lumber and Hardware Components of Bid to Collins Lumber; Rejecting Lowest Proposals for Roofing Component; Awarding Roofing Portion of Bid to Curtis Lumber Company, all Relative to the Purchase of Building Materials and Supplies Required for a 20'x36' Pavilion.

Mr. Taylor requested a roll call vote on Resolution No. 484, Amending Resolution No. 337 of 2002 to Remove Two (2) Parcels of Land Acquired by Warren County as a Result of the 2000 Foreclosure Proceeding as Airport Property.

Chairman Monroe stated that prior to voting on resolutions he had one final matter for discussion, that being the sale of County-owned property on Gurney Lane. He said that during the prior year the Board of Supervisors had considered the sale of the property and a resolution had been drafted regarding the matter but had been pulled prior to the Board meeting. Chairman Monroe suggested that in light of the budget constraints that the sale of the property be considered once again.

Subsequent to discussion on the matter, it was the consensus of the Committee that the issue should be referred to the Finance Committee for further discussion.

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Chairman Monroe called for a vote on the resolutions.

Resolution Nos. 458 through 537 were approved,

Chairman Monroe opened the floor for announcements.

Notation was made that the Department Head meeting scheduled for July 22nd had been cancelled and all of the Supervisors were asked to pick up their tax maps at the Real Property Tax Services Office.

Mr. Haskell noted that he was pleasantly surprised to see that Joan Parsons, Retired Commissioner of Administrative & Fiscal Services, in attendance at the Board meeting. A round of applause was held in Mrs. Parsons' honor.

There being no further business, on motion by Mr. Goodspeed and seconded by Mr. Sokol, Chairman Monroe adjourned the meeting at 12:13 p.m.