

**WARREN COUNTY BOARD OF SUPERVISORS
SPECIAL BOARD MEETING
MONDAY, JUNE 13, 2011**

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

You are hereby notified that, I, DANIEL G. STEC, 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 Monday, June 13, 2011 at 9:00 a.m., for the purpose of considering, and if determined by the Board to be appropriate, voting on, or otherwise taking action on, the following matters:

1. Proposed Resolution making a Home Rule Request by Warren County for the enactment of legislation to create railroad public authority; 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: June 8, 2011

DANIEL G. STEC, CHAIRMAN
Warren County Board of Supervisors

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

Mr. Daniel G. Stec presiding.

Salute to the flag was led by Supervisor Conover.

Roll called, the following members present:

Supervisors Conover, Monroe, Girard, McDevitt, Taylor, Loeb, Kenny, Belden, Bentley, Goodspeed, McCoy, Stec, Strainer, Champagne, VanNess, Sokol, Thomas, Wood, and Geraghty - 19.

Absent: Supervisor Merlino - 1.

Chairman Stec explained the purpose of the meeting was to discuss the Home Rule request for the enactment of Legislation to create a railroad public authority and he announced that last Friday the Railroad Operator contract was signed. He recalled that last month the Board had sought Home Rule Legislation for the creation of a public authority to

insulate the County from liability issues and a separate authority would provide an added layer of protection for the County and taxpayers. He apprised that the County was contacted late last week and informed that the Legislature would entertain the County's request to create a public authority.

Paul Dusek, County Attorney/Administrator, expounded he had advocated for the creation of a public authority for protection of liability. In the business world, he continued, it was not uncommon to set up a separate corporation that handled the particular transaction that they were involved in. He referred to Iowa Pacific, the new Railroad Operator, and stated they had created the Saratoga North Creek Railroad, LLC in order to isolate that company from their other companies and main holdings. He further explained that the only way for the County to set up a separate corporation to run the affairs, was to seek the public authority. He confirmed that this was a way to legally structure this transaction for the best protection of the County taxpayer.

Mr. Dusek asserted that a minimal cost would be associated with the public authority for accounting and legal costs; however, he said, in structuring this transaction, the goal was to have enough revenue from the railroad to pay the County's expenses. He clarified that creating a public authority, if approved in Legislation, would lead to the next step which would be for the County and the Town of Corinth to enter into a contract with the public authority. He remarked that the contract could be structured any number of ways that would be in the best interest of the County. In theory, he opined, the revenues should pay the expenditures; therefore the expenses of the authority would not be any different than the expenses of the County and the Town. He noted that in the early stages, the County and Town would need to assist the authority with some of these expenses.

Mr. Dusek advised that the public authority would offer a vehicle to administrate the railway; thereby removing it from the agendas of the County and Town Boards. He reported that the Legislation was structured to have three representatives appointed by the County and three representatives appointed by the Town of Corinth, which provided equal representation on the Board of the authority. He mentioned that the tax aspects of the authority were exactly the same as they currently were, to the extent that the railway was exempt in Warren County and it would continue to be exempt under the authority. To the extent that the County paid taxes, which was now the obligation of the Operator, he said, the Operator would continue to pay taxes.

Mr. Dusek concluded that his biggest concern was the liability aspect of this, as was previously mentioned, and he reiterated that this was a good intermediary vehicle for the County and the Town.

Mr. Girard questioned why Mr. Dusek had not recommended a public authority in the past and asked if the liability aspects had changed from the past and Mr. Dusek responded

he had recommended a public authority years ago but there were many road blocks at that time. Mr. Dusek also recognized that the liability had substantially increased due to the increased number of runs, as well as the addition of freight on the line.

Mr. Monroe queried if the income of the authority would be income taxable and Mr. Dusek responded he did not think so. Mr. Monroe referenced the equal membership and asked how the control would be different from what it was now and Mr. Dusek said it would become a tie vote if nothing could be accomplished. Mr. Monroe questioned how Mr. Dusek envisioned the revenue flowing, and Mr. Dusek replied in the early days, the County would continue to use County offices to keep costs down, such as the Treasurer acting as the source of the funds. Mr. Dusek added that as the railroad succeeded, he expected the authority would have its' own Treasurer. Mr. Monroe stated that the Governor and the Legislature seemed to be in favor of reducing the number of units of government and he questioned the likelihood of this request being approved. Mr. Dusek expressed his opinion the County had a strong compelling case for an authority.

In response to an inquiry regarding the appointed membership to the public authority board, Mr. Dusek explained that the Town of Corinth had the main line into Saratoga and due to the impact that portion of the line had on the overall success of the railroad, the Town desired to be equal partners with the County.

Mr. Goodspeed opined that the public authority would eliminate the municipal barrier between Saratoga County and Warren County; thereby allowing the line to exist as one entity. He expressed his support of the public authority.

Mr. Loeb complimented all parties involved with the signing of the Operator contract. He requested a copy of the final contract and the Clerk acknowledged the request. He questioned the urgency for requesting a public authority and suggested the board members read the Senate and Assembly Bills that were referenced in the resolution. He expressed his concern with the loose ends as to how the authority would interrelate with the Operator contract. Mr. Dusek stated that when the opportunity presented itself that this could move forward quickly, he was in complete favor of it due to his concerns of the liability aspects of the railroad. Relative to the details as to how the authority would interrelate with the Operator contract, Mr. Dusek said, the authority, if enacted, would just sit there until the County and the Town of Corinth took the next step, which would be to develop the contracts; thereby tying down all the loose ends.

Mr. Champagne added that today the board members were only voting to create an authority and the policies, procedures and processes would be worked out in the future. Chairman Stec referred to it as an intermediate no-risk step. Mr. Champagne noted he understood the equal membership on the authority board due to the unknown growth of operations in the future.

Mrs. Wood asked how the authority would affect her Town which was located on the railroad line and Mr. Dusek replied it would not affect the Town of Thurman, or any other town along the railroad line, unless an individual town pursued a relationship with the public authority in some fashion.

Motion was made by Mr. Goodspeed and seconded by Mr. Monroe to authorize a Home Rule Request for the enactment of legislation to create a railroad public authority. Clerk advised it required a roll call vote.

Mr. Monroe commented that his biggest concern was the loss of control that the County would have over the railroad and advised that his concerns could be addressed during the development of the contracts.

Mr. Dusek clarified if the request was enacted by the Legislature, the authority could not do anything until the County and Town appointed members followed by both the County and Town taking action to transfer the control to the authority after they come into existence.

Chairman Stec called for a vote on the resolution.

Resolution No. 334 was approved.

Chairman Stec announced that the regular Board of Supervisors Meeting was this Friday, June 17, 2011 at 10:00 a.m.

There being no further business, on motion by Mr. McCoy and seconded by Mr. Loeb, Chairman Stec adjourned the meeting at 9:38 a.m.