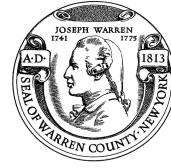


Warren County Board of Supervisors

**SPECIAL BOARD MEETING
FRIDAY, NOVEMBER 1, 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 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 **NOVEMBER 1, 2019 AT 10:00 A.M.**, for the purpose of:

1. Presentation of the 2020 Tentative Warren County Budget; 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: October 10, 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, 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 10:03 a.m.

Mr. Ronald F. Conover presiding.

Salute to the flag was led by Supervisor Thomas.

Roll called, the following members present:

Supervisors Leggett, Diamond, McDevitt, Braymer, Loeb, Driscoll, Simpson, Dickinson, Merlino, Strough, Wild, Beaty, Magowan, Sokol, Thomas, Geraghty and Conover- 17; Supervisors Frasier, Hogan and Hyde absent- 3

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Prior to commencing with the agenda review, Chairman Conover apprised he would like to acknowledge the emergency responders and the municipal highway departments for their immediate response to issues resulting from the recent high winds and heavy rain. He said there were a number of municipalities with significant damage, and washed out County roads, as well, which had prevented some of the Supervisors from the northern portion of the County from attending the meeting because of these issues.

Chairman Conover noted the purpose of the Special Board Meeting was to present the 2020 Tentative County Budget. Privilege of the floor was extended to Frank Thomas, Budget Officer, who proceeded to make the 2020 Budget Message, as follows:

“Good Morning. It was indeed my privilege again to be able to serve as the Warren County Budget Officer and today I present to the Board of Supervisors a proposed County 2020 Budget. I would like to thank Chairman Conover and the Board for the opportunity to again serve in this capacity. I would also like to extend a special thank you to the Budget Team which consisted of Ryan Moore, *County Administrator*, Tammie DeLorenzo, *Assistant to the County Administrator*, Rob Lynch, *Deputy County Treasurer*, and Kristy Miller, *Confidential Secretary to the County Administrator*, for their work, attention to detail and guidance, without which preparing this budget would not be possible.

Warren County’s many Department Heads and staff are County’s assets. Each year myself and the Budget Team have the pleasure of meeting with each department to discuss and review their budgets, their needs and ways to reduce costs, if possible. Warren County is very fortunate to have experienced, knowledgeable individuals leading our departments and often performing very challenging jobs and I would like to thank each and everyone of them.

The total proposed budget is \$161,009,910 and the property tax levy increase was \$627,607 or 1.38%. The allowable growth while still remaining under the tax cap was 2.79% meaning the County is at about half its allowable growth based on carry over, the growth factor and the 2% inflation rate set by the State Comptroller’s Office. This budget kept the tax rate the same at \$3.986 per \$1,000 assessed value which was actually a slight decrease. This was due to the growth of the County’s total assessed value in the amount of \$157,455,000 for a total of \$11,379,370,000.

The amount of sales tax included in the 2020 budget is \$55,015,895, which is the actual amount collected in 2018. This is an increase of \$2,861,000 over the 2019 Budget which equated to about \$1,400,000 as the County’s share. Currently, as of the last update on sales tax on October 17th, sales tax receipts for 2019 were up 2.9% or \$1,222,000 over 2018. Applying that sales tax allowed me to reduce the amount of appropriated surplus or General Fund balance used to balance the budget by \$257,000 to \$1,000,000. This would help increase the balance of Fund Balance at the end of 2019 and also help in future years. This is an expense that is easy to increase, but very difficult to decrease.

This proposed budget created six full-time and two part-time positions while also deleting six full-time and three part-time positions. Overall, minus two grant funded positions in the Public Defender’s Office, there was a decrease of \$13,500. The larger sheet that was provided to the Budget Committee, which outlined all of the positions that were created and deleted, indicated that there is a decrease of \$5,000.

Three positions were created as a result of Bail and Discovery Reform enacted by the New

York State Legislature. Regardless whether the reforms were good or bad for which everyone has their own opinion with time telling if they were good or bad and the consequences would be with the New York State Legislature. But to enact these reforms to the justice system through the State Budget process without debate or input to changes was wrong and this practice in my opinion needed to stop. Decisions to make these types of changes needed to be debated. There should be hearings, input from the District Attorney's, the Sheriff's, Public Defender's and crime victims. I estimated an additional expense of \$300,000 to \$400,000 to the Warren County taxpayers as a result of these reforms. I heard the comment that there would be savings from less people being incarcerated in the County Jail, but without changes to the required staffing by the New York State Commission of Corrections the only savings I foresaw was possibly purchasing less food. New York State needs to provide funding for these mandated expenses, similar to how they did for the Public Defenders Office, Indigent Legal Services and the Probation Department for the Raise the Age Program.

There was also funding included to retain a Crime Victims Assistant in the District Attorney's Office. This was federal funding that was reduced to Warren County as a result of more agencies and entities being allowed to apply to the same funding stream resulting in a reduction in funds provided to Warren County; therefore, the option was to lay this individual off or continue. Taxpayers currently fund to the tune of millions of dollars to have people arrested, enforce the law, prosecuting people, housing individuals in jail, providing medical service for them, as well as legal representation and defense and in my opinion \$30,000 to retain the Crime Victim's Assistant was reasonable at the least.

The Department of Social Services Commissioner requested a Staff Development Coordinator position and given the number of employees that worked I felt this was a wise decision, as it would help with the retention of employees and also reduce time and expense to train new employees.

Also included in the 2020 County Budget for the Department of Public Works was an additional \$434,000 for road projects which including the CHIPS (*Consolidated Local Street and Highway Improvement Program*) grant funding totaled \$3,000,000. \$4,200,000 was requested in order to keep the number of County Roads here on a cycle where they could be replaced and my only thought regarding this was possibly in the Spring of next year additional funding may be available to appropriate for this purpose, similar to how they had done this in previous years. The County's move to contracting out all paving work resulted from the substantial cost of renting and/or purchasing a paver and roller, as well as the difficulty of forming a consistent paving crew from the existing maintenance crews which also caused the maintenance work to go on the wayside.

There was an increase to the Department of Public Works Machinery Fund for replacements of machinery in the amount of \$295,000 over what was included in the 2019 County Budget for a total of \$908,000. The Vehicle Reserve was also increased by \$100,000 for a total of \$400,000 due to requests from the Sheriff's Office, as well as to meet future years needs for the County fleet, but the Computer Reserve was funded for the same amount of \$145,000.

Overall the appropriations requested during the meetings with the Budget Team for General Fund, Road Fund and the Machinery Fund were reduced by \$960,907 and the revenues were increased by \$163,000 with the mortgage tax being the one with the

largest increase. There was also a decrease in the amount of \$73,000 for interest income due to money being paid to the school districts for their taxes.

Health insurance costs have decreased by \$330,000 as a result of being self-insured while also increasing the employees contribution percentage gradually until it reaches 25%. This was very good compared to double digit increases or being in a community rated pool. Being experienced rated was risky, but the County had a healthy reserve to endure a bad year or possibly more of excessive expenses and he felt they had the ability to manage their healthcare more efficiently in a better manner, as well as having more options.

There was \$1,273,000 in wage and salary increases, a portion of which was for the non-bargaining employees. I commend Mr. Moore for putting together an excellent plan as was requested last Fall or earlier this Spring. Mr. Moore has established a grade system for each position, consulted with the Human Resources Department and Department Heads, set base salaries by position title, comparing to other Counties to develop a grid of step increases for the number of years of employment for raises which was based on merit through evaluations. These adjustments in 2020 I believe placed the County on a solid footing and a good path forward for future compensation. It was a more reasonable and sensible way of compensation as compared to past practice and was long overdue. He extended his thanks to Mr. Moore for putting in the effort to develop this plan. There were years after the downturn in 2008 and 2009 when some of these employees received no raises and there was a year where everyone got a flat sum, and there were years when they received 1%, 1.5%, 2% and 2.5% until they gradually were at the same rate they would have been at had that never occurred. The same could also be said about Cornell Cooperative Extension and the Southern Adirondack Library Association.

The last item I have to discuss relates to reserves and Assigned Fund Balance accounts with \$330,00 in funding for six accounts. There was \$150,000 for SUNY Adirondack operating and capital improvements and \$100,000 budgeted for assessments and for capital projects which the County had been compiling to come up with a plan on how to fund them. I believe the intent of this money was to perform assessments of projects and move them forward to better enable towns or the County to access grant funding. The remaining \$80,000 would be allocated to the accounts established for retirement payouts, uninsured losses, property and casualty deductibles that seemed to occur every year which were not budgeted for and County Buildings 1, Countryside Rehabilitation. There was also a proposal before the Board to allocate \$650,000 of the General Fund balance to capitalize each of these accounts. I think this is a modest start and would fund the issues that come along, especially with Countryside Adult Home which according to the study performed was going to be a \$3,000,000 project, nor would it cover the work required on County Buildings, but it was a start. Future funding and growth of these accounts to a point where they were at appropriate funding levels would be challenging, as this would rely on the continued growth of sales tax. A 5-6% growth would be sufficient to accomplish this, but I do not foresee this occurring. Other ways to achieve this would be to raise property tax or cut expenses which was much easier said than done. Currently I believe in order to maintain that small property tax increase, taking care of pay increases, managing the ebbs and flows of health insurance, sustain growth for reserves and fund balance accounts would have to come from the growth of sales tax.

Warren County currently remains in good fiscal standing and I believe this was a good and responsible budget proposal for 2020, as it was well under the tax cap, kept property

taxes at the current rate and did start to address future needs which was something that was not always possible in other years and I respectfully ask for your consideration and support for this proposed 2020 budget. Thank you”.

In regard to the tax rates based on the proposed Budget, Supervisor McDevitt stated the rates for Stony Creek and Johnsbury stood out from the others and he questioned whether he was correct to interpret that the properties in Stony Creek and Johnsbury were assessed so low that their rates had to be much larger to compensate. Supervisor Thomas responded that was a correct assumption, adding Stony Creek was assessed at 1% meaning a home that was valued at \$100,000 would have an assessed value of \$1,000. Supervisor McDevitt asked whether this was a better way of handling this and Supervisor Thomas replied he would not necessarily state that it was better or worse. Ryan Moore, *County Administrator*, stated he had done an analysis and determined the Town of Johnsbury’s equalization rate decreased by 10% from last year to this year. He apprised because it was division it always had the effect of increasing the value, but the assessed value in the Town of Johnsbury also decreased by almost .2% with the combined effect of both pushing up the full value by around 5% from where it was last year, adding this was another reason for the difference in the rate, but the main reason is what Supervisor Thomas spoke to.

Supervisor Loeb asked Supervisor Thomas if he could provide an explanation as to why he was not proposing a tax rate increase taking into consideration there were some years when the County could not raise enough taxes to cover the expenses and that the Department of Public Works had requested substantially more funding for road projects to protect the County assets. Supervisor Thomas replied he felt the intent was to at least keep the tax rate steady and not an increase.

Supervisor Wild questioned whether the full value tax base, which appeared to have increased over \$150,000,000, was due to new construction or as a result of reassessments in some of the towns and Supervisor Thomas replied he could not say for sure, but he believed a substantial amount of it was a result of new construction. Mike Swan, *County Treasurer*, advised the majority of that increase related to the fact that the equalization rate changed within the towns because the values increased and when considering that small change of the equalization rate for the towns it would magnify and increase the total full market value of the County. He added it was new construction, as he did not believe there were any reassessments in the towns last year; however, he noted, because the equalizations rates would change typically with a decrease in the full market value was increased.

Supervisor Thomas then proceeded to make a Power Point presentation on the 2020 Tentative Budget, a copy of which is on file with the items distributed at the Board meeting. At the conclusion of the Power Point presentation, Supervisor Thomas opened the floor to any comments or questions on the Budget proposal.

Supervisor Geraghty questioned why the retirement costs had increased and Mr. Moore replied that this was based on pension fund estimates the County received from the State. He said they programmed that in against every employee according to which Tier they were and this was used to calculate and estimate of what the actual bill would be. Supervisor Geraghty commented that he thought having more Tier 6 employees would stabilize this figure. Mr. Moore apprised he felt this figure would have been higher had it not been for more Tier 6 employees being hired. Supervisor Geraghty acknowledged Supervisor Thomas for preparing an appropriate budget.

Supervisor Braymer apprised she concurred with Supervisor Geraghty that Supervisor Thomas had done a good job preparing the 2020 Tentative County Budget. She stated once again she would like to include a position whose purpose was to manage some of the capital improvement projects that funding was

being set aside for to ensure the funding was spent appropriately, such as the road improvement projects, as well as the \$250,000,000 worth of infrastructure projects throughout the County. She continued, in order to move forward in an objective and professional manner she felt the County needed a qualified individual on staff to be dedicated to this. She informed after discussing this with the Director of Planning & Community Development and Supervisors Geraghty and Thomas she felt it would be sensible to include this position in the 2020 Tentative County Budget unfunded since the Director of Planning & Community Development did not have anyone lined up for this position and would not for several months. She stated this would allow the Director of Planning & Community Development to move forward with the recruitment process for the position while also allowing the Budget to remain neutral because they did not have to determine a revenue source to fund it at this time. Supervisor Geraghty added he was fully supportive of Supervisor Braymer's suggestion to add this position into the 2020 Tentative County Budget as an unfunded position. Supervisor Thomas apprised he was supportive of this suggestion as long as there was a title and job description for the position.

Supervisor Beaty questioned whether the retirement costs were based on a five year rolling average on the State's return on their investment because he was aware this was how the State handled the New York State teachers retirement. Mr. Moore responded it was an actuary analysis that the State Pension Fund did on the health of the fund, but he was unsure how exactly this was managed. Supervisor Beaty surmised it was likely based upon the same formulation the State used for the school districts. He continued, indicating he was bringing this up was because he was aware during an economic downturn when he was a member of the school board their retirement costs increased substantially. He remarked he had concerns about this because if the economy declined and/or the State's investments performed badly it would result in a substantial bill for the County and all the school districts because they did not receive the anticipated return on their investment. He said he thought the State estimated a return of approximately 7%, but again they used a five year rolling average. He stated he wanted to ensure everyone was aware of this because although it was something they had no control over since it was a State formulation, he felt they should be concerned about it. Mr. Moore added if the economy ever did crash resulting in a significant impact to the retirement expense all Counties had the ability to amortize for pensions, but he would never recommend that unless they absolutely had to because once this was done it was hard to recover from. Supervisor Thomas mentioned in 2008-09 the Town of Stoney Creek's contribution rate was 6.9%, but when the economic downturn occurred it increased to nearly 20% and it was currently at slightly more than 15%, adding it had been a long five years.

Supervisor McDevitt advised the figure that caught his attention concerned the significant salary increases within the Public Defender's Office which grant funding was used to pay. He said he believed grant funding was a good way to pay for salary increases because it relieved the County of the financial burden. He asked whether the salaries of the 5th through the 8th Public Defender's were 100% grant funded or was only the salary increase covered and Supervisor Thomas replied there were multiple grants that took place over several years, but he believed most of them were fully funded through grants. Mr. Moore stated there were a few attorney positions that were created in conjunction when the grants were already established meaning those positions would be fully funded through the grants, but before the grants existed in 2012 the County was solely responsible for the salaries and pay increases. He mentioned the reason these increases were so significant related to the fact that the attorneys in the Public Defender's Office were not included on the attorney grid, but they would be next year and the idea was to ensure the County's contribution toward the salaries remained flat going forward, as well as to fund any of the salary increases with grant funding.

In regard to the Environmental Planning position suggested by Supervisor Braymer, Supervisor Simpson stated he was also fully supportive of this position. He apprised he had attended a presentation at the Adirondack Association of Towns and Villages meeting on the State-wide Greenhouse Gas Initiative that

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the Governor signed into law this year which would mandate that the County reduce its emissions on all of its facilities by 85% by the year 2050 with set goals between now and then. He said he believed this would be a “game changer” in the way they made decisions and the Environmental Planner position would be critical in assisting the County with paying for the changes that were required. Supervisor Thomas added he had heard similar comments about that legislation at the Adirondack Park Local Government Review Board meeting.

Supervisor Braymer informed that the Director of the Planning & Community Development Department had been reviewing ways to redistribute the workload because as everyone was already aware Chris Belden, *Assistant County Planner*, was the Climate Smart Coordinator for the County. She continued, in order to have “Smart” planning with the other things the County would like to move forward with, such as County infrastructure, the Director felt it was imperative to have an additional Planner position to assist with the implementation of the five-year Capital Project plan, as well as the feasibility study, the First Wilderness Heritage Corridor, the other operations within the Department and updating the County-wide plan going forward. She said she had received information from Patricia Nenner, *Personnel Officer*, regarding the different positions and job descriptions which would require some changes; however, she noted, it appeared as if Assistant County Planner was the appropriate job title to move forward with.

Supervisor Wild apprised he was going to ask about some history because there was a phrase that stated “those that did not study history were bound to repeat it” which related to the economy and what occurred in 2008-09 and the County’s Fund Balance. He said he felt it was a common understanding that the economy was cyclical meaning it would go up as would sales tax revenue and he questioned how prepared the County was to deal with a downturn like that of 2008-09 with the current Fund Balance. Supervisor Thomas responded he believed this was dependent upon the duration of the downturn and if it was similar to what occurred in 2008-09 he did not believe they would have to borrow money, but it would have a substantial impact on the County Fund Balance. Supervisor Geraghty stated he believed the current Board members were more in tuned with the County finances to be better prepared if a downturn occurred, as there were a number of Board members, including himself, who were new to the Board when the 2008-09 downturn occurred. He apprised he could attest to the fact that it was not easy to recover from this downturn, as he had served as the Budget Officer during this timeframe. Supervisor Wild remarked there was no such thing as a typical downturn, but he felt it was important to recognize that the County was in good financial standing and that there was a plan in place for future years. Supervisor Geraghty stated he thought they had made appropriate changes, such as a target for the balance of the Fund Balance, which he did not believe was in place during 2008-09, and if so it was not adhered to. Mr. Swan informed the County was better prepared for an economic downturn than it was in 2008-09; however, he noted, that did not mean they would not run into some issues. Supervisor Thomas added 2006 impacted the 2008-09 economic downturn because the Fund Balance had not recovered and the health insurance costs were increasing by a minimum of \$1,000,000 a year.

Supervisor Merlino stated he concurred with Supervisor Geraghty that the County was better equipped to handle and economic downturn now then they were in 2008-09, as a number of the Supervisors during that timeframe were new to the Board and therefore were not familiar with the County finances and what was occurring. He informed the present Board members were more knowledgeable with many more questions being asked and there was an experienced staff in the County Administrator’s Office, as well as the County Treasurer’s Office which provided them with a report on the County finances, including the current balance of the Fund Balance to ensure they were well advised of the County finances.

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Supervisor Diamond questioned what the rationale of the Sheriff's Office was for deleting two positions while creating three additional ones and Supervisor Thomas replied he was unsure if he could recall, but he was aware the Secretary to the Sheriff, which was being deleted, had decided to take a position in another County Department and he did not believe anyone wanted the position of Major. Supervisor Diamond asked how many Lieutenants there currently were in the Sheriff's Office and Mr. Moore responded there were currently two. Mr. Moore explained the Major position was being deleted and would be replaced with a third Lieutenant position. Supervisor Geraghty informed there used to be three Lieutenant positions until one was deleted and now they were going back to having three. He added he believed the reason they could not find anyone to fill the Major position related to the fact that it was not Civil Service protected. Mr. Moore apprised the Investigative Sergeant position was a result of assigning the position full-time to the new Discovery Reform mandate.

Supervisor Braymer inquired whether a motion was required to add the Environmental Planner position to the 2020 Warren County Budget and Mr. Moore replied a vote was required today to accept the 2020 Tentative County Budget, and they would vote again to adopt the Budget in two weeks, prior to which a Public Hearing would be held. He continued, he would have to defer to the Supervisors who had been here to determine when those additions or deletions had historically been made between the Tentative and Adopted County Budget. Chairman Conover advised what he believed Supervisor Braymer was advancing was an organizational change which he thought could be entertained at any time once Supervisor Thomas presented the Budget. Supervisor Geraghty stated he felt this could be handled once the presentation of the 2020 Tentative Budget was concluded and Supervisor Thomas turned the meeting back over to Chairman Conover, which was before the 2020 Tentative County Budget was adopted. Supervisor Braymer stated she did not foresee a reason why it could not be added now to ensure the public was aware of the addition and Supervisor Thomas replied that was how they would be handling it. Supervisor Braymer asked whether Supervisor Thomas required a motion and Supervisor Thomas replied Chairman Conover would handle that when he resumed the Chair.

Supervisor Wild inquired what the impact to the County Budget was with regard to the personnel requests and Supervisor Thomas responded according to his calculations after he removed the positions that were unfunded, as well as the deleted ones and added the positions that were being created he determined there was \$240,915 in additional personnel expense, but there were \$246,410 in reductions resulting in a decrease of \$5,496. Supervisor Wild pointed out the presentation had indicated they would be creating six full-time positions and two part-time while deleting six full-time and three part-time positions and he asked whether this included all of those listed in the personnel requests - 2020 Warren County Budget graph because it appeared as if there was more. Mr. Moore responded the positions with a title change or where a department was losing a position and adding something else were not on the list reviewed by Supervisor Thomas.

Supervisor Leggett questioned why they did not have a report to view that listed all of the contractual and equipment expenses, similar to the report they had regarding the personnel requests and Mr. Moore replied that those were made available during the October 22nd Budget Committee meeting which he would distribute to the full Board immediately following the conclusion of the meeting.

This concluded the comments on the 2020 Tentative Budget, and Chairman Conover resumed the Chair.

Chairman Conover advised the time to amend the 2020 Tentative Budget would be during the review of resolutions.

Proceeding with the Agenda review, Chairman Conover offered privilege of the floor to Mr. Moore for

the review of the Warren County Multi-Year Plan for 2020-2023.

Mr. Moore stated last year he had presented the Multi-Year Plan in August, but this year he decided going forward that he would present it in November at the same time the Tentative County Budget was reviewed and approved. He said prior to reviewing the Multi-Year Plan he would like to review a few things with the Board, the first of which concerned spending, which at first glance appeared to have increased significantly from 2018 to 2019, but this was not the case. He explained that the basis for the 2019 projection and all of the out year projections was the Modified Budget which was always greater than the Adopted Budget and the Actual Budget because it included all of the expenses that were added throughout the year and it was inevitable that by the end of the year some of the expenses had not been made causing them to roll into the following year and become part of the Modified Budget. He apprised this was why it appeared as a substantial increase, but in reality it was not because when the budget was balanced and the books were closed for 2019 that figure would decrease. He continued, at first glance it also looked as if there was a \$1,900,000 operating deficit in 2019; however, he noted, this was not cause for alarm because what this represented was the \$1,400,000 in Fund Balance appropriations that the Board made earlier this year for items, such as paving, and then the remaining \$500,000 would be assigned to the Occupancy Tax Reserve and the Westmount Reserve meaning these funds would not be appropriated from the General Fund. He informed the 2020 Projection also included what was in the Tentative County Budget which appeared to be off by \$1,000,000, but this was not the case, as this portion represented what was being allocated from the Occupancy Tax and Westmount Reserve accounts. He said these costs were all incorporated into the expenses, but they had no impact on the General Fund.

Mr. Moore advised it also seemed as if the Road and Machinery Funds were currently running major deficits and they would make money in the future; however, he noted, this was not the case, as the actual projection of the deficits was included in the Interfund Transfers in the report. He added these funds would always run a deficit because they were subsidized by the General Fund and the reason the expense indicated it was currently substantial was that is was an assumption for purposes of the forecast that the entire Modified Budget was spent and nothing rolled forward into the following year and against that the Reserves that were in the Fund were drawn down. He stated at the end of the year when the Interfund adjustments were made they ensured that those Funds closed with a 5% Fund Balance.

Mr. Moore informed the major assumptions included in this forecast was a 1.5% increase every year in the property tax levy which as about what was in the Budget for 2020. He said this was an approximation of what revenue the County would receive if they kept the County tax rate stable. He stated sales tax revenue projected for 2019 was 2.5%, but it was currently closer to 3% and then a 1.5% increase for each following year. He mentioned there was a \$125,000 per year growth in occupancy tax revenue that he felt was a conservative projection. He apprised that there was a phase out of railroad expenses, a 2.5% salary increase every year for every employee, but this was speculation because the CSEA (*Civil Service Employees Association*) contract would be expiring at the end of this year so he would not know the actual percentage until they signed a new contract with them. He stated there was a 3% per year increase for SUNY Adirondack, informing the County's typical contribution had been 2%, but the Budget Committee decided they would like this amount increased.

Mr. Moore apprised there was \$100,000 per year included for infrastructure feasibility studies and \$4,000,000 set aside for paving which was the ideal amount the Department of Public Works typically requests, but it had been cut in the 2020 Tentative County Budget to \$3,000,000 because if the total amount of sales tax revenue received in 2019 was greater than anticipated they would consider allocating additional money for this purpose at the beginning of the new year. He apprised for purposes

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of the Multi-Year forecast because he was forecasting what he believed the actual sales tax revenue collected would be rather than using the figure from the prior years receipts like they did in the County Budget because they planned for what they thought the actual amount collected would be they had included the entire \$4,000,000 that was requested for County Roads.

Mr. Moore stated the amount of the General Fund Unreserved Fund Balance was the most important figure included within the forecast, with the amount for 2019 taking into consideration the funds that were recently requested to be withdrawn at yesterday's Finance Committee meeting. He said they were forecasting that the balance at the end of this year would be around \$21,000,000 as previously mentioned by Supervisor Thomas at a recent Budget Committee meeting.

Mr. Moore advised his final observation was that the County still had an operating deficit in the out years and the General Fund Balance was being drawn down rather than being built up to meet the GFOA (*Government Finance Officers Association*) Standards; he recommended that they take the General Fund Appropriated Budget and divide it by twelve and then multiply that by two to equal two months of operating costs to come up with the ideal balance. He said what he was implying was that the County would need to make some policy decisions on how to close this deficit and build up the Fund Balance, such as shorting the allocation to paving, decreasing the contribution to SUNY Adirondack, and cutting the amount set aside for capital infrastructure and other growth items that had been included in the 2019 Tentative County Budget; however, he noted, whether that was a wise decision was one for the Board to make.

In regard to the 1.5% property tax increase each year, Mr. Moore informed this represented a level County tax rate, but this could be increased up to the State Tax Cap to address that deficit if that was how the Board would like to proceed. He said the other option to address this deficit would be to locate another source of revenue.

Supervisor Braymer thanked Mr. Moore for putting together the report during the budget process, as she believed it was a more sensible time for the Board members to have and review this information. She questioned whether the report appropriately forecasted out based on the numbers for 2019 when Mr. Moore was indicating some of the figures were not accurate, such as the \$1,900,000 deficit that did not take into consideration the \$1,400,000 that would be brought back into the County Budget resulting in an actual deficit of \$500,000. She asked whether they were forecasting on a figure that was not a true reflection of how the year would end up and then "snowballing" the impact. Mr. Moore responded he did not believe this was "snowballing", as he believed it was a one time adjustment with 2019 closing out with what he anticipated would be a surplus meaning a one time adjustment would be made to what the surplus was. He continued, going forward the methodology of the projection was such that he was attempting to use an "apples to apples" by using the Modified County Budget going forward. He stated the expenses that mattered were the 100% County expenses which for the most part were accurately projected. Supervisor Braymer pointed out in 2023 there was a \$2,900,000 deficit with the Fund Balance decreasing to \$16,000,000 and she questioned how accurate this projection was. Mr. Moore replied that deficit was not calculating down into the rows listed on the bottom of Page 1 of the Report because it was coming out of other funds meaning it had no bearing on line 32. He said it was included in the \$1,900,000 deficit for the General Fund, but it did not have an impact in the General Fund Unreserved Fund Balance because it was applied to other funds. Mr. Moore remarked while the report was difficult to interpret, it was accurate from an accounting perspective. Supervisor Braymer concurred that it was a good report from the accounting perspective, but she was wondering if this also held true from the planning perspective and Mr. Moore replied that it did. He explained the report was accurate as long as the caveat was included that there would be a one time adjustment for 2019. Supervisor Braymer inquired whether this was a one time adjustment or an annual once a year

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adjustment and Mr. Moore responded it was a one time adjustment. He apprised if the County closed out 2019 with a \$1,000,000 surplus the figure for the General Fund Unreserved Fund Balance would be adjusted from \$21,000,000 to \$22,000,000 and then all those other projections going out would be increased by \$1,00,000.

Supervisor Merlino exited the meeting at 11:18 a.m.

In regard to the deficit in future years, Supervisor Diamond questioned whether he was correct to assume that Mr. Moore was suggesting the Board become more aggressive with trying to locate new revenue sources and Mr. Moore replied in light of what was being proposed with the 2020 Tentative County Budget he was suggesting what would occur if the major policy decisions made in that Budget were carried out. He said what he meant was that if the Board wanted to keep the same priorities going forward it would essentially be the responsibility of the property taxpayers more than the County would like it to be unless they found an alternative source of revenue.

Supervisor Loeb apprised that expenses were fairly easy to forecast and they had been careful with the projections for revenues that did not take into account that sales tax revenue had closed out the prior years more than anticipated each year; therefore, he said, in future years the revenues did not match the expenses resulting in a deficit and reducing the Fund Balance to \$16,000,000 in 2023. He mentioned if something bad were to occur which impacted the County finances, they would still be in good financial standing and if the amount of sales tax revenue collected fell short some small adjustments would need to be made, but it would not be as bad as the financial crisis the County was in during 2008-09. Mr. Moore pointed out there was a difference between the way they budgeted sales tax revenue and the way it was forecasted. He explained the County's practice was to budget the sales tax for next year at the most recent actual receipts meaning the amount included in the 2020 County Budget was the actual amount collected in 2018. He stated the 2019 figure referenced on line 9 of page 2 of the report which pertained to Sales and Use Tax did not match the \$52,000,000 that was included in the 2019 County Budget nor did the 2020 figure match what was included in the 2020 Tentative County Budget meaning the forecast did incorporate growing sales tax with 2.5% increase for this year and 1.5% for each additional year. He advised an argument could be made that this could be forecasted more aggressively; however, he noted, if sales tax were to fall short then it would cause a deficit to occur that was not planned for.

Supervisor Loeb remarked if the forecast included growth in the sales tax and still had a deficit in the later years then it was necessary for the Board to start working on coming up with a solution to address this now. Chairman Conover apprised the challenge was the rate of the growth exceeded the rate of the revenue. He stated as an example they were aware of what their contractual expenditures would be going forward a few years and these expenses were growing faster than the projected revenue growth.

Supervisor McDevitt questioned how much additional revenue would be acquired if the property tax rate was increased to the Tax Cap rate of 2.8% and Mr. Moore replied it would increase by approximately \$650,000.

With regard to the history of the Multi-Year Plan, Mr. Swan stated the first year this was implemented the projection for the encumbered Fund Balance was about \$6,000,000 and now this figure was projected to be \$16,000,000 meaning because of working together and appropriately budgeting the projections were improving. He said what he was trying to state was that when they first started doing projections the anticipated balance of the Fund Balance in 2020 was around \$6,000,000, but the actual amount in there now was about \$20,000,000 which he believed was a result of the Board making proper financial decisions as they were moving forward thereby improving the outlook of the future

forecasts. He informed he felt the County was equipped to handle a short-term downturn in the economy.

Supervisor Driscoll stated something that stood out to him was that the County needed to continue to have a presence at the State Legislature to fight for the State to pay for the unfunded mandates they kept placing on the County without providing any funding to pay for them. He said if the State were to provide them with some funding toward the unfunded mandated programs then it would improve the County's outlook for revenue in the future.

Chairman Conover advised it was necessary for the Board members to understand that there were many items not accounted for in regard to expenses in the Multi-Year Plan. Mr. Moore stated the policy decisions made in the 2020 Tentative County Budget which was a sound one and carried them forward. He said the issues arose because the projected revenues did not grow as rapidly as the expenses. He mentioned the 2020 Tentative County Budget had started to make some investments in pro-growth strategies and those investments were currently sound, but they were not funded at the level they should be. He informed what was not included in the 2020 Tentative County Budget was the additional Planning position that was discussed earlier today, nor was there any funding included for the worthwhile initiative of making the County a year-round destination. Mr. Moore apprised they discussed diversifying the County's economy beyond just tourism and the need to create additional quality jobs which would require investments in workforce development and County infrastructure required by the companies the County would like to recruit here to create these jobs was not included in this Budget. He mentioned the County was working on what it needed to do in regards to having and/or improving broadband coverage throughout the County, but there was no funding associated with that and the Planning & Community Development Department was working on affordable housing, but there were minimal funds set aside for this purpose. He advised should the Board decide to do more with regards to these efforts, a funding stream would need to be identified.

Chairman Conover stated he believed they should continue this discussion at the Committee level because he felt that was where they were in the planning process with the Multi-Year Plan in terms of what the County's true costs were for the County infrastructure from a planning perspective and what did that look like if it was incorporated into the County's expenditures. He said if they did this then the growth was significantly larger and rather quick beyond what was included in the current five year projection. Supervisor Beaty questioned whether there was a figure available for the amount of unfunded mandates the County was responsible for and Mr. Moore replied around 85% of the General Fund appropriations represented State Programs. Supervisor Beaty questioned whether they were all unfunded and Mr. Moore replied in the negative, explaining that figure represented the gross of State Programs and then the same amount of the County Tax Levy was what represented the County's portion.

Supervisor Loeb apprised he believed the Federal and State mandated programs which related to health and social programs were necessary for the success of the County even though the financial burden fell on the County.

Supervisor Strough exited the meeting at 11:35 a.m.

Chairman Conover continued with the Agenda review, calling for discussion on the proposed resolutions and he called for a motion to bring proposed Resolution Nos. 459 and 460 to the floor. The necessary motion was made by Supervisor Simpson, seconded by Supervisor Magowan and carried unanimously.

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A motion was made by Supervisor Braymer, seconded by Supervisor Dickinson and carried unanimously to amend the 2020 Tentative County Budget to include an unfunded Assistant County Planner position.

Chairman Conover called for anyone wishing to comment on proposed Resolution No. 460, *Adopting Tentative Budget Providing Appropriations for the Conduct of County Business for the Fiscal Year 2020 and Authorizing Public Hearing on the Budget*, but there was no one wishing to speak.

Chairman Conover called for a roll call vote on proposed Resolution No. 460 following which it was adopted by a unanimous vote of those present.

Chairman Conover called for announcements, but there was no one wishing to speak.

There being no further business to come before the Board of Supervisors, on motion made by Supervisor Dickinson and seconded by Supervisor Geraghty, Chairman Conover adjourned the meeting at 11:38 a.m.