

2012 BUDGET WORKSHOP
November 18, 2011 3:00 p.m.

Vice Chairman Thompson called the meeting to order.

Roll call was taken: PRESENT: Patricia Southworth, Alan Grattidge, Philip C. Barrett, Anita Daly, Richard Lucia, Mary Ann Johnson, Jean Raymond, George Hargrave, Mindy Wormuth, Paul Sausville, Thomas Richardson, Frank Thompson, Preston L. Jenkins, Jr., Willard H. Peck, John Collyer, Thomas N. Wood, III, Matthew E. Veitch, Joanne Dittes Yepsen, Edward D. Kinowski, John Lawler, Arthur J. Johnson – 21.

ABSENT: Richard Rowland, Arthur M. Wright – 2.

Vice Chairman Thompson said the Law and Finance Committee held its 2012 Budget Hearing on November 14th. Each of the members of Law and Finance and the Chairman of the Board were eligible to vote on the amendments and all amendments presented were approved with at least four affirmative votes on the Committee. During today's meeting, the Chair will accept amendments from the floor. All motions to change the 2012 Tentative Budget, as amended by the Law and Finance Committee, either by adding to or deleting from the budget, will require a majority of the weighted vote of the entire Board of Supervisors (109,804 votes). All voting will utilize the weighted system. The 2012 Tentative Budget, along with all the amendments approved at the Law and Finance Hearing and today's workshop will be presented to the public on December 1st at 5:30 p.m. in the Board Rooms.

Spencer Hellwig, County Administrator gave the following budget overview:

“Thank you Chairman Thompson. I just want to point out that the budget hearings that were held on Monday approving changes to the Tentative Budget have all been distributed to you and provide you with the changes that were proposed and approved at that meeting. The Tentative Budget as amended by the Budget Committee totals \$320,552,626 in seven separate funds. I mentioned at the budget hearing on Monday, the \$26M gross increase over the 2011 adopted budget is misleading for the following reasons: there was \$13M in non-tax revenues that reduced this total by 50% to \$13M. The remaining \$13M is made up of the following costs: \$4M increase to cover mandated rate increase from the NYS Retirement System, \$3.7M increase in the subsidy for Maplewood Manor, \$2.2M projected cost for pending litigation with Hudson River Black River Regulating District if the courts rule against the county's named in the lawsuit, \$1.8M of the of the \$13M increase is in the health insurance premiums projected to increase by 7% and those premiums are currently tied to the collective bargaining agreement that won't expire until the end of 2012. There is also \$800,000 for the final contract year with CSEA which represents a 2% cost of living adjustment for 900 of the County's 1,400 employees. There is no COLA budgeted for the remaining workforce which includes all Supervisors and Management Personnel. I would also like to remind you that we already have the lowest per capita personnel costs in the Capital Region. With that, I would turn the meeting back over to the Chairman to determine whether or not, in addition to the changes made at Monday's meeting, there are any additional changes to be proposed by Board Members here today.”

Vice Chairman Thompson acknowledged Jack Lawler. Mr. Lawler thanked the County Administrator and his staff for preparing this budget in a very difficult year not only for Saratoga County but for the towns, villages and other counties in the State. He said it has become much more difficult to maintain the financial conditions the County has enjoyed because increased mandates and operating expenses. He said these difficult times call for difficult decisions. He

said he is very proud that Saratoga County has the excellent bond rating it has. Mr. Lawler said there has not been a property tax increase since 2002 and has maintained or lowered the rate. He said the County is facing some serious problems and offered the following budget amendments for consideration by the Board.

- Capital Plan reduced by the amount of \$1,623,450 and that is composed of: Capital equipment for \$598,150, a reduction in paving plan for \$1M, and reduction in Building's vehicles to purchase a new vehicle for \$25,300.
- Outside Agencies – eliminate the following: \$7,200 for the Hudson Mohawk Urban Cultural Park, \$48,462 for Capital District Regional Planning, \$18,000 for Saratoga Performing Arts Center and the Saratoga County Fair, \$11,250 for the subsidy for the Saratoga County Museum
- Reduce expenses in the Board of Supervisors' administrative budget by \$7,500
- Reduce the subsidy to the Economic Development Corporation by an additional \$97,000
- Reduce the loan to the Saratoga Water Authority by \$1M

That will result in a saving of \$1,207,412, Mr. Lawler stated. He said the budget problems the County faces are reoccurring. The State mandates are what are crippling the counties in this State. In addition, Mr. Lawler said \$2,169,299 was budgeted in a reserve account for pending litigation for the Hudson River Black River District and he said he proposes to eliminate this and deal with it in a way that won't impact this year's budget. He said at this time the County has to ask more of the current and retired employees. He said the retirees receive an excellent benefit package with no co-pay and no contribution toward that amount and right now the cost is in excess of \$7M. He proposes retirees contribute 15% towards the cost and believes this is a reasonable request and that will generate approximately \$1M in annual savings for the County. He said he is also asking that current employees who were hired prior to 2001 who also do not have to contribute to their health insurance start by contributing 15%. He said those two items will generate, he hopes, \$2M in reoccurring revenue. Mr. Lawler said his final proposal is to raise the property tax to \$2.23 per \$1,000 in assessed value, which will be \$16 on a house assessed for \$200,000. He said this will be under the Governor's tax cap and will generator an additional \$1,717,212 in revenue. Mr. Lawler said all this combined will provide the County with \$8,717,373 and will plug the deficit problem and will decrease the amount of money that will come out of the fund balance and instead of wiping it out will leave about \$5M. Mr. Lawler pointed out that this will alleviate the immediate need of layoffs and "shares the pain across the board".

Mr. Lawler made a motion to amend the budget to reflect his proposed changes. The motion was seconded by Mr. Hargrave. The following discussion occurred.

Mrs. Wormuth asked about layoffs and if that included the two layoffs that were approved at the Law and Finance Hearings. Mr. Lawler said that it is for additional layoffs.

Mr. Barrett said Supervisor Lawler outlined some very good items and said that probably no one there agreed with all of them but because the County is in the state that it is in, everyone is going to have to make decisions they don't like. He said taking this course and having this discussion is productive and looks forward to the public hearing and further deliberations to talk about these items. He said this is just the beginning of many difficult items that will be discussed and thanked Supervisor Lawler for bringing these forward.

Mr. Sausville said this proposal wasn't put together quickly and said it was obvious that Supervisor Lawler put a great deal of work in to it. He said everyone is hearing this for the first time today and said it is a great start but will probably have some changes made. He said it will

have far reaching impacts especially for CDRPC and asked that the Administrator contact the agencies so they know about the changes.

Ms. Yepsen asked if these changes were going to be voted on today. Mr. Hellwig said they were being voted on today and said a formal document will be prepared for the Supervisors within a week. She said the two layoffs at Maplewood appear to be a drop in the bucket when the facility is facing a \$9.4M shortfall. She asked if the landfill was in Supervisor Lawler's list of items. Mr. Lawler said it was not as he could not guess what that number would be if the landfill was sold or what ever is proposed and he did not want to offer a false number. She said that the landfill and Maplewood Manor should be put out to bid to see what they are worth. She said that the Congressmen didn't come through for the Water Authority so the taxpayers shouldn't have to pay for it. She said that the State needs to do more to assist the County's with not only Mandate relief but with the lawsuit with the Hudson River Regulating District.

Mr. Jenkins said he wanted to reflect on Maplewood Manor and pointed out that over the past years over \$38M has been used to subsidize Maplewood and if we had that money today, the County would not be facing the problems we are facing. He said he thinks that Supervisor Lawler has a great solution for short term and went on to say that the landfill should be sold to rebuild the fund balance and privatize Maplewood and these things need to be looked at now.

Mrs. Wormuth said the Public Works Committee is working to analyze the landfill and what would be in the County's best interest and she said this study has been ongoing and has asked that it be done sooner rather than later.

Ms. Raymond said she was going to mention what Supervisor Wormuth just did and that Public Health under Chairman Wright's leadership has taken a very aggressive stance to get the information needed to make a decision with regards to Maplewood Manor. She said she wanted to assure Ms. Yepsen that there is a very aggressive plan to work with the Legislature for a solution that will not fall on the backs of county taxpayers.

Mr. Kinowski said that as he sat behind his own desk in his town and tried to figure out how to balance his own budget and make appropriate reductions, he commended Supervisor Lawler for the work that took he guessed hours to accomplish. He said these are solid items that Mr. Lawler brought forward and applauds his efforts.

Mr. Veitch said he would like to echo the many statements made by his fellow supervisors and the work that Supervisor Lawler did. He said he is not happy about a few of the items but as the County moves forward these things need to happen. He said the Technology Committee that he chaired this year need to keep looking at ways to make the county run more efficiently and ultimately save money. He said as we go forward he hopes no one loses sight of the ball here as we definitely will be taking care of the immediate problems this year and we need to look and invest into the future.

Supervisor Southworth thanked Supervisor Lawler for putting this together to give the Board a good solid starting point. She asked what the process would be for the contribution for the employees and retirees to start; and, does the budget include raises for part time employees. Mr. Hellwig said the contribution towards health insurance would start with those employees not covered by the CSEA contract and not sure at this point how that will happen. Mr. Kalinkewicz said what they have followed in the past is that the part time people fall in along with CSEA however they are not under that contract agreement and it is the Board's discretion to pay or not to pay. Mr. Hellwig said that the 2% for part time employees is included in the budget.

Supervisor Hargrave said he would like to make the suggestion that this amount be taken out. Mr. Hellwig said the amount is about \$28,971.

Ms. Wormuth asked what the amount was that was deducted for the two part timers in Maplewood. Mr. Hellwig said that amount is \$63,925.

Mrs. Johnson asked if a separate resolution would be needed to ask the retirees to contribute to their health insurance. Mr. Hellwig said it would not be a separate resolution.

Mr. Wood said he wanted to share with everyone that for the past couple of months Supervisor Wright, Mr. Hellwig and he have been having conversations with regards to the establishment of a committee and the charge that would be given to that committee to study Maplewood. He said that committee will be Supervisor Wright, Kinowski and A. Johnson.

Mr. Lawler said the County is going to have to look hard at all options with Maplewood and the landfill but as the Board we have to answer the public's request to cut this budget. He said he has proposed \$5M in cuts and one thing that we have to come to grips with is that we will not get any help from the State even if those problems are forced on us by the State. He said after the tax increase that he proposed Saratoga County will still be lowest per capita. He urged everyone to talk to their Legislators and encouraged Ms. Yepsen to talk to the Governor. He said there were many Supervisors who have sat quiet and encouraged everyone to speak and offer more cuts to this budget.

Mr. Richardson said Supervisor Lawler has done his usual outstanding job and appreciates all his ideas. He said he feels obligated to say that when dealing with Maplewood Manor all consideration be given to the residents and employees. He said the one other thing that needs to be looked at is privatizing the County Airport. Mr. Thompson said if the airport was privatized the grant money would have to be returned but agreed it should be looked at.

Mr. Johnson thanked Supervisor Lawler for putting the proposal together and said cuts are never easy and it is spread throughout the budget and no matter what is chosen it will not be well received. He said there are some parts he has problem with but he will support it. Mr. Lawler said he has problems with some of these as well but if anyone has any other ideas or something else in mind, bring it up. He said he doesn't like to put forward employees paying for their own insurance so if there are alternatives by any means bring them forward.

Mr. Peck thanked Supervisor Lawler for the motion on the floor. He said we are ridiculed in papers for not aggressively going with layoffs but he said what Saratoga County does is different than other counties with the Vacancy Review Board. He said this board reviews all vacancies and analyzes these positions. He said as he reads the articles that have been in the paper and as he is ridiculed in editorials he wonders if his neighbors have all the facts and he thinks it's time for this County to send a message. He said when there are layoffs there are costs associated with them and there are very little savings. He wanted to mention the disappointment he felt with the recent decision about the sales tax. He said 52 of the 57 counties in this State currently carry that level of sales tax. He said it is the Board's job to deliberate about what is best and it is a great disappointment when he sees the State Legislators come out before us without working with us. He said the State says on one hand you have to pay more in mandates and on the other they will fight you on something you have to do at the local level and he said he finds this troubling.

Mrs. Wormuth said avoiding layoffs is one of the most important things that needed to be looked at because it adds to the problem and she is glad it has been avoided. She said all of the

decisions being made are tough and are being done because of the economy and echoes Mr. Peck's comments about the legislators. She said she invited them to be at the workshop to offer what relief they could offer. She said she supports the Capital cuts but she believes that needs to be watched very closely when it comes to failing infrastructure and not letting things deteriorate.

Mrs. Daly said she applauds Supervisor Lawler on the cuts that he put forth. She said she also applauds her colleagues who support these cuts. She applauds Supervisor Peck and his comments about the legislators whose actions were nothing more than unappreciative of who we are and what we are. She said we are in a process and asked for solutions and the legislators told different supervisors different stories and their actions were inexcusable.

Mr. Grattidge echoed Mr. Peck's comments. He said when the issue was first looked at the sales tax was a good option and a good way to raise revenue. He said there is no question as we go into next year, Maplewood is going to be a hot button issue, the landfill is going to be looked at, and there is no question that health care cost is a huge item to address.

Mr. Sausville asked if there were any legal ramifications with asking retirees to contribute. Mr. Kalinkewicz said technically no but there may be a group that gets together to challenge this because this is what was offered when they retired.

Mr. Grattidge made a motion to amend Mr. Lawler's motion for retirees to stop receiving the Medicare Part B reimbursement for 2012 as a starting point and then extend the 15% contribution requirement to all retirees starting in 2013 which would be a savings of about \$963,000. Patti Southworth seconded this motion.

The motion passes by the following vote: AYES (120,617): Patricia Southworth 9,776, Alan Grattidge 4,133, Richard Lucia 6,531, Mary Ann Johnson 856, Jean Raymond 1,214, Mindy Wormuth 21,535, Paul Sausville 14,765, Willard H. Peck 5,087, Thomas N. Wood, III 5,674, Matthew E. Veitch 13,293, Joanne Dittes Yepsen 13,293, Edward D. Kinowski 8,287, Arthur J. Johnson 16,173.

NOES (89,167): Philip C. Barrett 18,352.5, John Collyer 1,995, Anita Daly 18,352.5, George Hargrave 3,545, Preston L. Jenkins, Jr. 14,728, John Lawler 8,423, Thomas Richardson 5,196, Frank Thompson 18,575.

ABSENT: Richard Rowland 7,775, Arthur M. Wright 2,048.

Mr. Lawler made a motion to amend the budget to reflect his proposed changes. The motion was seconded by Mr. Hargrave.

The motion passes by the following vote: AYES (209,784)

Patricia Southworth 9,776, Alan Grattidge 4,133, Philip C. Barrett 18,352.5, Anita Daly 18,352.5, Richard Lucia 6,531, Mary Ann Johnson 856, Jean Raymond 1,214, George Hargrave, Mindy Wormuth 21,535, Paul Sausville 14,765, Thomas Richardson 5,196, Frank Thompson 18,575, Preston L. Jenkins, Jr. 14,728, Willard H. Peck 5,087, John Collyer 1,995, Thomas N. Wood, III 5,674, Matthew E. Veitch 13,293, Joanne Dittes Yepsen 13,293, Edward D. Kinowski 8,287, John Lawler 8,423, Arthur J. Johnson 16,173.

ABSENT: Richard Rowland 7,775, Arthur M. Wright 2,048.

Mr. Hargrave made a motion to amend the budget to remove the 2% cost of living increase for part time employees. The motion was seconded by Mr. Kinowski.

The motion passes by the following vote: AYES: (209,784)

Patricia Southworth 9,776, Alan Grattidge 4,133, Philip C. Barrett 18,352.5, Anita Daly 18,352.5, Richard Lucia 6,531, Mary Ann Johnson 856, Jean Raymond 1,214, George Hargrave, Mindy Wormuth 21,535, Paul Sausville 14,765, Thomas Richardson 5,196, Frank Thompson 18,575, Preston L. Jenkins, Jr. 14,728, Willard H. Peck 5,087, John Collyer 1,995, Thomas N. Wood, III 5,674, Matthew E. Veitch 13,293, Joanne Dittes Yepsen 13,293, Edward D. Kinowski 8,287, John Lawler 8,423, Arthur J. Johnson 16,173.

ABSENT: Richard Rowland 7,775, Arthur M. Wright 2,048.

Mrs. Daly made a motion to approve the amendments that were made at the Law and Finance hearings. The motion was seconded by Mr. Hargrave.

The motion passes by the following vote: AYES: (209,784)

Patricia Southworth 9,776, Alan Grattidge 4,133, Philip C. Barrett 18,352.5, Anita Daly 18,352.5, Richard Lucia 6,531, Mary Ann Johnson 856, Jean Raymond 1,214, George Hargrave, Mindy Wormuth 21,535, Paul Sausville 14,765, Thomas Richardson 5,196, Frank Thompson 18,575, Preston L. Jenkins, Jr. 14,728, Willard H. Peck 5,087, John Collyer 1,995, Thomas N. Wood, III 5,674, Matthew E. Veitch 13,293, Joanne Dittes Yepsen 13,293, Edward D. Kinowski 8,287, John Lawler 8,423, Arthur J. Johnson 16,173.

ABSENT: Richard Rowland 7,775, Arthur M. Wright 2,048.

Mrs. Southworth said at Monday's Law and Finance Hearing there was discussion to have a Vacancy Review meeting to discuss the Deputy and she asked if that meeting occurred and what the outcome was. Mr. Thompson said the meeting did occur, there will not be a deputy and there will be a part time person in that office.

Mr. Thompson said services were cut but employees were not cut. He said the best heads in this state sit in this room. He said this was a better alternative to raising the sales tax and reminded the Board that another area that should be looked at is where the voting machines are stored and that could save \$60,000 per year.

On a motion by Mr. Barrett, seconded by Mr. Lucia the meeting was adjourned unanimously.

Respectfully submitted,

Pamela A. Hargrave