

BUDGET COMMITTEE
January 19, 2011

**** NOT APPROVED ****

Committee Members Present

T. Hopkins, D. Fanton, D. Cady, P. Curran, K. LaForge, T. O'Grady, C. Crandall

Others Present

M. Alger, L. Ballengee, D. Burdick, M. Healy, J. Margeson, S. Presutti, D. Pullen, B. Riehle, T. Ross, F. Sinclair

Media Present

D. Roorbach – Olean Times Herald

Budget Committee Chairman Theodore Hopkins called the meeting to order at 1:10 p.m.

Approval of Minutes

The December 15, 2010, Budget Committee minutes were approved on a motion by Legislator O'Grady, seconded by Legislator Curran and carried.

Sales Tax Report

County Treasurer Terri Ross distributed copies of a Sales Tax Report summarizing sales tax receipts for 2010 as well as 2011 receipts through January 13. Sales tax receipts in 2010 totaled \$17,841,412.94 with another \$1,563.15 in interest for a total of \$17,842,976.09. The sales tax received in 2010 was \$341,412.94 higher than the \$17,500,000 budgeted and \$773,636.89 (4.533 percent) higher than what was received in 2009. Our first sales tax check in 2011 was \$685,827.71 with \$182.96 in interest for a total of \$686,010.67. This first check was \$10,394.25 (1.493 percent) less than what was received in 2010. Ms. Ross stated that all sales taxes are paid directly to the state, and the state then distributes it. Ms. Ross indicated that she receives a quarterly report from the state regarding sales tax. Committee members briefly discussed the need for the state to develop a better system for reporting sales tax to the counties. Ms. Ross indicated that they will be discussing this issue again at an upcoming County Treasurers' meeting.

Tax Rate and Levy

Ms. Ross distributed a copy of spreadsheets (*attached to original minutes*) showing the change in the tax rate for the County levy by town, the change in the amount of the County levy by town, and the total change in taxable value for each township. Budget Committee Chairman Theodore Hopkins stated that taxpayers get confused when we refer to a zero percent tax rate increase, and then their tax bills show a 1.4 percent increase which actually represents the increase in tax levy. Unfortunately we are limited to what is and is not printed on the tax bills.

Ms. Ross also distributed a packet of spreadsheets (*attached to original minutes*) outlining the following:

1. Comparison of the 2011 rates to the 2010 rates and the percent of increase or decrease per town.
2. Breakdown of the rates used to calculate the combined rates. There is a rate for the town inside (villages) and town outside. The school rate is a combined average rate based on all the districts in that township.
3. The third spreadsheet reflects the percent of the combined rate that is from the County tax.
4. Summary of towns sorted from highest combined rate to lowest.
5. Summary of the towns with the largest percentage of their combined rate coming from the County tax to the lowest.

Assessments

After reviewing the information that County Treasurer Ross distributed, Legislator Philip Curran stated that it looks like we need to stabilize our assessments. Real Property Tax Director Steven Presutti stated that this debate has been going on for years. Over half the towns are either at 100 percent or in the process of trying to get there. Mr. Presutti stated that the towns' equalization rates range from a low around 70 to 100. Mr. Presutti confirmed that there are incentives to stay at 100 percent. The state is trying to get the towns on a 4-year cycle, and they just passed a new plan where towns can receive a maximum of \$5 per parcel when they do reassessments over a 4-year period. They would also be eligible to receive \$2/parcel in between years. The majority of our towns are moving toward 100 percent assessment, and we have had some big increases in taxable value over the last few years.

Legislator Hopkins asked what the rate of increase in property values has been over the last ten years. Mr. Presutti stated that the assessors get a report showing the trend, and it usually averages between 2 and 3 percent. The last couple years it's been between 0 and 1. There has been a big jump in vacant land. Legislator Hopkins stated that the equalization rate is a huge factor and shows the value of getting all towns to 100 percent. Legislator Pullen commented that when towns experience a decrease in equalization rate, the tax rate goes up.

Legislator Pullen commented that the poorer the community is, or the less raised by sales tax, the more it leaves to be raised by property tax so our property tax rates end up being high. We have no other way to raise the money. If we cap the rates, it would be very difficult to maintain a lot of the services. Schools are also facing a huge impact as they have no other way to raise the money.

Future Meetings

The Budget Committee plans to move their meeting time to 1:30 p.m. for February, March and April, and will go back to 1 p.m. in May.

Adjournment

There being no further business to come before the committee, the meeting was adjourned at approximately 1:40 p.m. on a motion by Legislator Cady, seconded by Legislator Curran and carried.

Respectfully submitted,

Brenda Rigby Riehle, Clerk of the Board
Allegany County Board of Legislators

BUDGET COMMITTEE

February 16, 2011

**** NOT APPROVED ****

Committee Members Present

T. Hopkins, K. LaForge, T. O'Grady, C. Crandall (Absent: D. Fanton, D. Cady, P. Curran)

Others Present

M. Alger, L. Ballengee, D. Burdick, M. Healy, J. Hopkins, J. Margeson, D. Pullen, B. Riehle, T. Ross, F. Sinclair

Media Present

B. Quinn – Wellsville Daily Reporter

Budget Committee Chairman Theodore Hopkins called the meeting to order at 1:35 p.m.

Approval of Minutes

The January 19, 2011, Budget Committee minutes were approved on a motion by Legislator LaForge, seconded by Legislator O'Grady and carried.

Sales Tax Report

County Treasurer Terri Ross distributed copies of a Sales Tax Report reflecting receipts through February 14, 2011, totaling \$2,076,562.96 and interest totaling \$182.96 which reflects a 1.89 percent increase (\$38,453.04) over last year at this time.

Ms. Ross distributed a summary of sales tax revenue over the last ten years. The ten year average increase was 2.73 percent, and the five year average increase was 2.46 percent. It was noted that in 1986, Allegany County's sales tax rate was increased from 3 percent to 4 percent, and then in December 2004, the sales tax rate went from 4 percent to 4.5 percent.

Ms. Ross also distributed a copy of the Sales and Use Tax Statement which includes a Distribution Detail Report and Adjustment for Prior Periods that she received from the state last month so that committee members could see what it looks like. Committee members briefly discussed the Distribution Detail Report, noting that there is really very little information on it.

Governor's Proposed Budget/NYSAC Conference

Legislator Hopkins stated that the Governor has released a proposed budget, noting that there will be quite a few changes before a final budget will be adopted. Committee members briefly discussed a few proposed changes, and Mr. Margeson indicated that he plans to provide a statement summarizing how specific proposals may impact Allegany County. Legislator Hopkins indicated that some scary things could be coming. Legislator Hopkins stated he is most concerned about the proposed property tax cap. Everyone wants the property tax cap, and the Farm Bureau even supports the cap, but there was no mandate relief in the Governor's budget. In order to see relief, the state would have to repeal or takeover a mandate, and the state cannot afford the programs they have let alone other programs. A cap would limit Allegany County to a budget increase of only \$500,000. Mr. Hopkins reported that the cap can be overridden by a 2/3 vote of a county. Our increase in just the projected retirement bill will be approximately \$1 million. County Administrator John Margeson asserted that the proposed 2 percent property cap (or CPI) is the highest increase we could impose, and this would be impossible to maintain when one cost center may be going up \$1 million. Our Medicaid Cap is set at 3 percent, and that line item ends up increasing by about \$300,000 every year.

They also talked about eliminating funding for Probation Departments. Mr. Margeson stated that the state used to reimburse counties about 50 percent for the cost of operating Probation, and

that reimbursement is down to about 12 to 16 percent. Many counties are talking about having to close down Probation Departments, although some services are mandated.

Public Health Director Lori Ballengee stated that she believes that NYSAC's recommendations for the Early Intervention and Preschool Programs could possibly streamline the way we do business and end up saving us quite a bit of money. Mrs. Ballengee stated that she is more concerned with proposed cuts to the federal budget as they are talking about wiping out aid to the Family Planning and WIC Programs. HEAP was also going to get hit. Mrs. Ballengee noted that they stated that Medicaid and education make up 60 percent of the budget, and those items should really only account for about a third of the budget. Legislator Kevin LaForge stated that most counties believe that the EI and Preschool Programs belong in the school systems. They are educational programs, and they should be with the school. Mrs. Ballengee stated that the school sets the services, but the county pays for it.

Legislator Hopkins stated that the most disappointing thing about the NYSAC Conference was that the Governor did not show up. He was on the agenda, but he couldn't find the time to come address the 800+ attendees. He couldn't come to explain why we have to keep raising property taxes to fund his programs. Normally a Governor would attend the NYSAC Conference.

Legislator Timothy O'Grady suggested that we need to come up with how much money we have at our disposal, fit our mandated programs into that amount, and then we can see what is left and decide what we will be able to fund. Once we determine how much it will cost to fund the mandated programs, we can determine how much we have left over to fund other things. Chairman Crandall stated that Mr. Margeson previously distributed a list of programs and funding sources that can be used to help scrutinize the different programs and determine what Allegany County may want to fund with local dollars. Legislator O'Grady asked if grant funding is tracked, noting that some programs should stop if we are no longer receiving anticipated funding. Mr. Margeson indicated that some of this is tracked at the departmental level, and Ms. Ross also explained how the Treasurer's Office monitors all of this information.

Mrs. Ballengee introduced the new Accountant in the Health Department, Larry Hoyt.

Adjournment

There being no further business to come before the committee, the meeting was adjourned at approximately 2:03 p.m. on a motion by Legislator O'Grady, seconded by Legislator Hopkins and carried.

Respectfully submitted,

Brenda Rigby Riehle, Clerk of the Board
Allegany County Board of Legislators

BUDGET COMMITTEE

March 16, 2011

**** NOT APPROVED ****

Committee Members Present

T. Hopkins, D. Fanton, D. Cady, P. Curran, K. LaForge, T. O'Grady, C. Crandall

Others Present

M. Alger, D. Burdick, K. Graves, M. Healy, J. Margeson, D. Pullen, B. Riehle, T. Ross, F. Sinclair

Budget Committee Chairman Theodore Hopkins called the meeting to order at 1:30 p.m.

Approval of Minutes

The February 16, 2011, Budget Committee minutes were approved on a motion by Legislator LaForge, seconded by Legislator Curran and carried.

Analysis of Non-Mandated Programs

Deputy County Administrator Mitch Alger distributed copies of an analysis he performed on non-mandated programs listing the net County cost and projected operational impact of eliminating certain programs or cost centers. Committee members briefly reviewed the document and will plan to discuss it again at a future meeting.

Budget Concerns

Legislator Douglas Burdick asked if anyone is following the proposed NYS Budget cuts? County Administrator/Budget Officer John Margeson indicated that the Deputy County Administrator and he have both been monitoring proposals, and the County Treasurer and some Department Heads have also been following things. Mr. Margeson indicated that the New York State Association of Counties (NYSAC) also keeps counties informed of what is happening in Albany especially on the budget.

Legislator Frederick Sinclair commented that approximately \$1.7 million was spent on people in Allegany County for optional Medicaid costs such as dental, private duty nurses, aides, eye glasses, prosthetics, and hearing aides. Allegany County's local outlay for the optional Medicaid costs was about \$400,000 so people in the County received approximately \$1.7 million in benefits for \$400,000 in local tax dollars. Legislator Sinclair stated that \$500,000 was spent on private duty nursing, and that is one area that can build up a lot of expense quickly. Legislator Timothy O'Grady commented that if you cut the \$400,000 out, you are still reducing the tax burden, and there are other costs associated with having these programs available. Legislator Dwight Fanton stated that we need to figure out what it will really save us because you have to account for the Medicaid Cap too. Legislator Sinclair mentioned weighing the impact to recipients when considering certain cuts. A report was forwarded to the County Administrator, and he will be including some of this information in future reports.

Mr. Margeson noted that the Senate has passed a 2 percent property tax cap. Mr. Margeson stated that some things may be ironed out after the main budget is put in place; however, it's not a real budget if they are still negotiating things after they finalize a budget. Legislator Sinclair saw a statistic indicating that if federal spending increases were capped at 2 percent, the deficit would be gone by 2020. Committee members briefly discussed the impact a cap might have on Allegany County's budget. Mr. Margeson also noted that the 2 percent proposed cap is the maximum, and if core inflation which is the Consumer Price Index (CPI) minus food and energy costs is less, then we would have to use the smaller figure for the cap.

Future Meetings

The next Budget Committee meeting is scheduled for Wednesday, April 20. Committee members requested County Treasurer Ross to send a memo to the smaller departments asking them

to turn in their first quarter budget reports for that meeting. The six larger departments will report in May. Budget Committee Chairman Hopkins requested that the meeting time go back to 1 p.m. so committee members have time to discuss reports as well as the NYS Budget.

Adjournment

There being no further business to come before the committee, the meeting was adjourned at approximately 1:50 p.m. on a motion by Legislator Fanton, seconded by Legislator Curran and carried.

Respectfully submitted,

Brenda Rigby Riehle, Clerk of the Board
Allegany County Board of Legislators

BUDGET COMMITTEE

April 20, 2011

**** NOT APPROVED ****

Committee Members Present

T. Hopkins, D. Fanton, D. Cady, P. Curran, K. LaForge, T. O'Grady, C. Crandall

Others Present

M. Alger, D. Burdick, L. Edwards, K. Graves, M. Healy, J. Margeson, A. McGraw, D. Pullen, B. Riehle, T. Ross, F. Sinclair, R. Starks

Budget Committee Chairman Theodore Hopkins called the meeting to order at 1:00 p.m.

Approval of Minutes

The March 16, 2011, Budget Committee minutes were approved on a motion by Legislator Curran, seconded by Legislator Cady and carried.

Sales Tax Report

County Treasurer Terri Ross distributed copies of a Sales Tax Report reflecting receipts through April 13, 2011, totaling \$5,215,657.35 and interest totaling \$549.65 which reflects a 9.246 percent increase (\$441,414.50) over last year at this time. Ms. Ross indicated that it's possible that part of the difference could be an adjustment from the state; however, she hasn't received the reconciliation yet.

Tobacco Settlement

Ms. Ross indicated that we just received a tobacco settlement check in the amount of \$695,724.90, and she anticipates receiving approximately \$40,000 more by the end of the week. We began receiving tobacco settlement money in December 1999, and we have received \$9,777,246.81 since that time. We should be receiving tobacco settlement money for a total of 25 years.

Fulton County's Truth in Taxation Program

Committee members received copies of information regarding Fulton County's Truth in Taxation Program. Fulton County recently enacted a Local Law Establishing Truth in Taxation in Fulton County, and they are asking other counties to join this initiative. The local law requires certain steps to be included in county property tax bills on an annual basis. For about \$600 per year they are able to insert a flyer with their tax bills that itemizes and summarizes the impact of state mandates.

Legislator Philip Curran commented that it makes sense to send this information to educate the taxpayer. Other committee members agreed, but they aren't sure that they want to mail the flyer with the tax bills. Chairman Crandall stated that he thought that we were limited on what could be put in with the tax bills. Ms. Ross indicated that we are still limited; however, Fulton County believes that their local law allows them to include a flyer with the tax bills and that it's the best way to get that information out to the taxpayer. Ms. Ross stated that in Allegany County, most of the town tax collectors stuff the bills; but if the committee decides that they want to include a flyer with the tax bills, we could have them all folded and ready to go. Legislator Donald Cady noted that all of the information is available to those that want it, and he doesn't want to make more work for the towns. Committee members discussed alternative ways to make the information available which included posting the information on our website and having a flyer available where people pay their taxes as well as other locations. A motion was made by Legislator Fanton, seconded by Legislator Curran and carried to request the Budget Officer to prepare a flyer relative to the County budget and taxes that would include a summary of state mandates and the impact those mandates have on the tax bills.

Refer to Budget Officer

Analysis of Non-Mandated Programs

Deputy County Administrator Mitch Alger distributed copies of an updated analysis he performed on non-mandated programs listing the net County cost and projected operational impact of eliminating certain programs or cost centers. The analysis also included a summary of any revenue the County receives for the particular program. Chairman Crandall remarked that the operational impact of eliminating funding for many of the programs is that the program would be discontinued, and we need to have an understanding of what the consequences of discontinuing a particular program might be. Legislator Dwight Fanton commented on the improvements they have made on the solid waste revenue. Legislator Fanton noted that the revenue being received will not cover the cost of capping cells, and we will need to come up with additional money for that. They were supposed to be putting \$5 a ton away toward capping costs, but that hasn't been done.

Departmental Financial Reports

Committee members received copies of the first quarter financial reports for the smaller departments. Discussion was held regarding the tax process and it was noted that the County makes all schools and villages whole for their respective tax levies. Ms. Ross stated that we are required to make schools whole according to Real Property Tax Law. Prior to around 1986, the villages were responsible for their own tax enforcement. Eventually that tax procedure changed, and the County took over the enforcement. A law was passed that required the County to make the villages whole as well. Ms. Ross also noted that the County bills and collects corporation tax bills from January through March. Corporation bills, which include mostly utility companies, are combined countywide, summarized, and just one total bill is sent to each corporation.

Adjournment

There being no further business to come before the committee, the meeting was adjourned at approximately 1:40 p.m. on a motion by Legislator Fanton, seconded by Legislator Curran and carried.

Respectfully submitted,

Brenda Rigby Riehle, Clerk of the Board
Allegany County Board of Legislators

BUDGET COMMITTEE
May 18, 2011

**** NOT APPROVED ****

Members Present: T. Hopkins, D. Fanton, D. Cady, P. Curran, K. LaForge, C. Crandall;
(Absent: T. O'Grady)

Others Present: M. Alger, L. Ballengee, D. Burdick, A. Finnemore, V. Grant, K. Graves, R. Hartwick, D. Horan, L. Hoyt, J. Margeson, D. Roeske, T. Ross, F. Sinclair, K. Toot

Call to Order: The meeting was called to order by Budget Committee Chairman Theodore Hopkins at 1:00 p.m.

Approval of Minutes: A motion was made by Legislator Curran, seconded by Legislator Fanton and carried to approve the Budget Committee minutes of April 20, 2011.

FIRST QUARTER DEPARTMENTAL FINANCIAL REPORTS:

Office for the Aging:

Office for the Aging Director Kimberley Toot reported revenues at 7.3 percent and appropriations at 17.1 percent of budgeted amounts through the end of the first quarter. Revenues are low due to the delay in vouchering for federal and state funds until May. By next quarter, accounts should be on target. Mrs. Toot had been concerned about funds being short for Meals-on-Wheels, but she will wait to go to committee until after the Allegany Senior Foundation's fundraiser on May 21. Those proceeds are all dedicated to Meals-on-Wheels. When asked if she had any indication on next year's state funding for her programs, Mrs. Toot replied that she didn't. She has the state-wide figures, but not the county allocations. Federal funding looks like it's at where we were before. The concern with the federal budget process for older people is the proposed changes to Medicare and Medicaid.

Health Department:

Public Health Director Lori Ballengee reported revenues at 6.4 percent and appropriations at 10.4 percent of budgeted amounts through the end of the first quarter. A lot of the revenue accounts were still at zero because they hadn't been vouchered, and some accounts weren't reconciled until April. Appropriations are well under budget, partly because some programs are cyclical, with no expenses until later in the year. Legislator Curran asked Mrs. Ballengee to relay to her contacts at the state level his dissatisfaction with the new tobacco survey sponsored by NYS DOH. They hired a company from North Carolina to do it, instead of from New York State, and some of the questions were ridiculous. The money was poorly spent. Mr. Ballengee noted that they always have trouble with the Tobacco Program grant because the rules are so restrictive. Opinions were expressed about the ineffectiveness of advertisements in discouraging children from smoking.

Public Works:

Public Works Superintendent David Roeske reported that revenue accounts are as projected. Revenue figures are never good at this time of year; they start coming in when projects begin in the summer. Most appropriation accounts are on track, but Mr. Roeske expressed concern with his fuel account going over budget due to rising gas prices and the leachate disposal account going over budget due to the excessive rains. Last week, a little over 350,000 gallons of leachate had been recorded, and the average yearly total runs about 1 million gallons. He reported these issues to the Public Works Committee, and they will be

referred to Ways & Means. The capital accounts for roads and bridges are looking good, but it's hard to say if there will be extra funds until the projects are finished.

Sheriff:

Sheriff's Office Accountant Randy Hartwick reported that their accounts are within projections. They didn't anticipate the Act II Batterers' Program grant funds under revenue at budget time, but the related expenses will offset that. Mr. Hartwick felt that they would meet budgeted revenue for federal inmate housing. Overtime expenses should be close to the budgeted amount, which was cut by \$375,000 from 2010 due to savings associated with the new tracking program. They are monitoring overtime, and expenses are down compared with last year. The department is using less fuel this year, because of a reduction in long-distance transports. Mr. Hartwick also noted that they monitor prices, shop around for the best deals, and purchase in bulk whenever possible to keep costs down on food, cleaning, and general supplies for the Jail.

Social Services:

Social Services Commissioner Vicki Grant presented her financial report to the Committee. It was noted that projections are quite different than the budgeted amounts. Ms. Grant noted that they are waiting on some of their allocations. When questioned about the Home Energy Assistance Program (HEAP), Accountant Don Horan explained that we have to wait until June or July after the program is shut down for the state to send the figures down. County Treasurer Terri Ross noted that the way we have to report figures for HEAP and Food Stamps changes almost on a daily basis. Originally they wanted everything going in and out reported, even if it didn't get paid by us; then at the end of last year, they told us not to report anything. Ms. Grant responded to a question on the effect of the change in state rules on her budget by commenting on a point in time study and other information from the state on how to estimate more closely, but noted that until we get the state figures, it's just a guess. She thinks we'll be OK with that change for this year, but as the caseloads go up in the Safety Net population, things will continue to get worse. It's still early in the year, and the department hasn't even gotten all of their allocations from the cuts the state made, so they're still guessing. They should have a better idea next quarter.

SALES TAX REPORT:

County Treasurer Terri Ross distributed copies of a Sales Tax Report including receipts through May 13, 2011, totaling \$6,546,745.78 and interest totaling \$549.65, which reflects a 10.07 percent increase or \$598,920.94 over last year at this time. It's hard to tell from the state report what we can attribute the increase to. Ms. Ross will bring the quarterly report from the state to the next meeting to show what it looks like. Reconciliations are still about six to nine months behind. The price of fuel contributes to the increase; it's up about 75 cents from last year. Legislator Pullen commented on a NYSAC report noting Westchester County sales tax increase of \$2.8 million over the prior year; they collected \$35.6 million in the month of April. That gives an idea of what we are wrestling with by comparison and a reality we have to deal with. One of the reasons our real property tax is so high is that the lower level of our commercial activity has a real effect on our sales tax revenue. We need to push for development at the Crossroads Area.

COMMUNITY COLLEGE REPORT:

Ms. Ross presented an annual report of Community College expenses for 2010, broken down by town and by college, showing a total number of students paid for at 908 and total expense of \$918,299.93. A comparison from 2009 to 2010 showed increases in the number of students and expense (up by 8.78 percent). A chart including expenses over the six-year period of 2005 through 2010 showed an increase of 43.53 percent. We've budgeted \$900,000 for 2011, so we'll be over budget again, but we're narrowing the gap between budget and actual expense from what we've had in the past. Ms. Ross explained that per NYS Education Law,

since we don't have a Community College in the County, we have to pay one-third of the tuition for every County student who attends any Community College within New York State. The tuition is paid one-third by the student, one-third by the County, and one-third by the state. What we pay is based on credit hours plus a capital charge of \$150 per semester. The student applies here for a certificate of residence within a certain window of time, and we're billed based on that. Eligibility for the certificate of residence includes having lived in New York State for one year, in this County for six months out of the last six months within that year, and U.S. citizenship. Committee Chairman Hopkins pointed out that this isn't a County expense; it's actually a town cost, but because the County doesn't share sales tax, this is one of the things we pay for the towns. Ms. Ross noted that's one reason the report is split out by town. Mr. Margeson sent a copy of the report to all Town Supervisors last year or the year before, and it would be a good idea to do that annually. Chairman Crandall stated that he's questioned on what people get for their County taxes. This is just one example of something we do on a County-wide level that helps alleviate what would be their local property tax in each of these towns. The expenses shown on the report would have a huge impact for some of the smaller towns if they had to pay it. This, among other programs, offsets the sharing of sales tax.

PROPERTY TAX CAP:

Ms. Ross distributed copies of information from Oswego County regarding Managing a County Budget within the Context of a Property Tax Cap. A graph highlights their 2012 local cost increases from state program changes, state budget, proposals, and mandates, and then shows a line where the cap would be. It shows how much of just the things that came down from the state that they could not cover under the proposed two percent cap. Our County should do this for our numbers. There was discussion on what other counties are saying and what the repercussions would be for going over the cap. Ms. Ross noted that the exemptions to the calculation for the cap are a big issue because we have very little we could exclude. Committee Chairman Hopkins stated that we'd have a difficult time even cutting enough from all the unmandated programs to stay within the two percent. Mr. Margeson commented that the State Legislature goes out of session in 30 days, so there's not much time to pass anything, but likewise, there won't be any mandate relief. Protecting the County's fund balance in light of the devaluation of the dollar was discussed, and Ms. Ross explained that the Municipal Finance Law strictly limits investments. She shops around for CD rates and is in touch regularly with Municipal Solutions, our financial consultants, and we can't do anything more than we're doing.

2012 BUDGET PROCESS:

County Administrator John Margeson reported that he and County Treasurer Terri Ross will meet with Department Heads on June 2 at 1:30 to begin the 2012 Budget process. Legislators are welcome to attend. The Clerk of the Board was requested to send notification via e-mail.

Adjournment: There being no further business to come before the committee, the meeting was adjourned at 1:55 p.m. following a motion made by Legislator Fanton, seconded by Legislator Curran and carried.

Respectfully submitted,
Adele Finnemore, Deputy Clerk of the Board
Allegany County Board of Legislators

BUDGET COMMITTEE
June 15, 2011

**** NOT APPROVED ****

Committee Members Present: T. Hopkins, D. Cady, K. LaForge, T. O'Grady, C. Crandall;
(Absent: P. Curran, D. Fanton)

Others Present: M. Alger, L. Ballengee, D. Burdick, K. Graves, J. Margeson, B. Riehle, T. Ross, F. Sinclair

Call to Order: The meeting was called to order by Budget Committee Chairman Theodore Hopkins at 1:10 p.m.

Approval of Minutes

A motion was made by Legislator O'Grady, seconded by Legislator Cady and carried to approve the Budget Committee minutes of May 18, 2011.

Sales Tax Report

County Treasurer Terri Ross distributed copies of a Sales Tax Report reflecting receipts through June 13, 2011, totaling \$7,853,135.28 and interest totaling \$655.05 which reflects a 10.24 percent increase or \$729,545.99 over last year at this time.

Budget Adjustments

Committee members discussed the fact that some budgetary adjustments are not being handled properly, and many Memorandums of Explanation are not being completed properly or thoroughly. Committee members talked about the possibility of County Administrator/Budget Officer John Margeson sending a memo to all Department Heads requesting that they verify all financial adjustments with his office or the County Treasurer's Office prior to taking the request to the committee of jurisdiction. A motion was made by Chairman Crandall, seconded by Legislator O'Grady and carried to refer the matter to the Ways & Means Committee. **Refer to Ways & Means Committee**

Committee members briefly discussed some recent transfer requests associated with the towers that will be discussed at the Ways & Means Committee this afternoon, and they agreed that it would be better to have one centralized account to cover all bills associated with the towers.

Review of 2012 Budget Requests

Mr. Margeson stated that Department Heads are supposed to have their 2012 Budget requests to him by July 1. He will be going through them and making any necessary changes. Committee members agreed to hold an all-day (9 a.m. to 4 p.m.) meeting on Thursday, August 11, and a half-day (9 a.m. to noon) meeting on Thursday, August 25, to review the budget requests.

Mr. Margeson indicated that he will plan to give committee members a copy of the white budget sheets that Departments Heads complete one week prior to the review meeting. Budget Committee Chairman Theodore Hopkins noted that the Budget Committee is an advisory group, and it is Mr. Margeson that actually has to present the Tentative Budget.

Legislator Timothy O'Grady stated that some entities are developing their budgets in anticipation of a 2 percent tax cap, and he thought perhaps we should do the same. Legislator Hopkins commented that he believes that would be very hard to do. The annual Medicaid

increase and union contracts alone make up that 2 percent. Chairman Crandall stated that we often see a 4 or 5 percent increase just with the mandated increases we are required to pay. Legislator O'Grady stated that the \$950,000 we used from our fund balance last year would account for 4 percent.

Adjournment

There being no further business to come before the committee, the meeting was adjourned at 1:55 p.m. following a motion made by Legislator O'Grady, seconded by Legislator LaForge and carried.

Respectfully submitted,

Brenda Rigby Riehle, Clerk of the Board
Allegany County Board of Legislators

BUDGET COMMITTEE
July 20, 2011

**** NOT APPROVED ****

Committee Members Present: T. Hopkins, D. Cady, P. Curran, D. Fanton, K. LaForge
(Absent: C. Crandall, T. O'Grady)

Others Present: M. Alger, D. Burdick, K. Graves, R. Lynch, J. Margeson, D. Pullen, B. Riehle,
T. Ross, F. Sinclair, K. Toot

Call to Order: The meeting was called to order by Budget Committee Chairman Theodore Hopkins at 1:00 p.m.

Approval of Minutes

A motion was made by Legislator Fanton, seconded by Legislator Curran and carried to approve the Budget Committee minutes of June 15, 2011.

Sales Tax Report

County Treasurer Terri Ross distributed copies of a Sales Tax Report reflecting receipts through July 13, 2011, totaling \$9,900,481.11 and interest totaling \$745.91 which reflects an 8.635 percent increase or \$786,9770.97 over last year at this time.

Projected Impact of 2% Cap

Deputy County Administrator Mitch Alger distributed copies of a spreadsheet outlining the projected impact of a 2 percent cap on the property tax levy. The 2011 Allegany County property tax levy was \$27,527,083, and 2 percent of that would be \$500,542 so the maximum levy to stay under the 2 percent would be \$28,077,625. Mr. Alger listed our top nine mandated cost centers which included Medicaid, Pensions, Child Welfare, Pre-K, Indigent Defense, Probation, Safety Net (Welfare), Early Intervention, and Collective Bargaining Agreements and projected that our net increases just from those nine mandated areas would be approximately \$2.2 million. We would need to cut over \$1.6 million from local programs to get below the 2 percent cap. Mr. Alger commented that many of the committee members may have seen an article in the newspaper recently regarding Cattaraugus County's projections that they would be impacted by \$7.3 million. County Administrator John Margeson noted that the projections distributed by Mr. Alger only account for our nine largest mandates, and do not include other mandated programs; however, most Department Heads are trying to hold the line. Mr. Alger's report also indicated that the Community College charge backs were budgeted at \$900,000 in 2011, and the projected budget for 2012 is \$950,000. That's another \$50,000 that could be added to the projected increase as well as the amount needed to be cut elsewhere to get below the cap. Only 2 percent of pension increases count for the calculation of the tax cap. The "real" appropriation for pensions in 2012 would be approximately \$4.2 million, an increase of \$520,000.

Legislator David Pullen referred to the projected revenues associated with Medicaid and asked where they come from since we will not be receiving an additional \$680,000 in FMAP money that we received the last few years. Mr. Margeson indicated that he would get back to Legislator Pullen.

Legislator Hopkins distributed a list of five options for dealing with the New York State Two (2) Percent Property Tax Cap:

1. Use fund balance – will last 2 or 3 years.

2. Use BAN (Bond Anticipation Note) for road repair and bridge work - leave the problem for future Legislative Boards.
3. Eliminate programs and make drastic cuts to other programs.
4. Ignore the 2 percent cap.
5. Combination of some/all of the above options.

The property tax cap can be overridden by a 60 percent vote of the Legislative Board. Legislator Donald Cady asked if the cap is overridden, will other limits apply, and County Treasurer Terri Ross indicated that the Board would only be bound by the constitutional tax limit.

Legislator Cady provided a few examples of things that he has seen or that the public complains about and indicated that perhaps we could reduce personnel slightly. Committee members briefly talked about things such as staffing evaluations, contracting services, percentage cuts across the board, and early retirement incentives. It was noted that the Governor sent word down to the Assembly and Senate that he would veto any retirement incentives. Legislator Philip Curran commented that early retirement incentives sometimes reduce wages for a short period of time, but you could end up paying for benefits on these employees for 40 years for nothing. Legislator Kevin LaForge stated that it provides an opportunity to reduce staff through attrition. It was also noted that cuts across the board sometimes do not work well because some departments have minimum staffing levels, some receive federal or state reimbursement, some make revenue with fees and charge backs, and others provide great services with a minimal local contribution.

Legislator Fred Sinclair stated that he finds it interesting that we spend no time talking about driving revenues or investing and bringing in more money. We should put some of our attention toward investing and strengthening programs that bring in money, rather than focusing on not having anything. Legislator Sinclair went on to say that if you focus on not having anything, that's where you will end up. We need to get in the development game, and we need to focus on how we can drive our revenues. Legislator Mike Healy said that's a good argument for getting something done at the Crossroads as soon as possible. Most of the revenue that could be generated at the Crossroads would be out of the pockets of non-residents. Legislator Healy also stated that developers would generate significant revenues without using services, and we would see revenues in a fairly short time period.

Legislator David Pullen suggested we consider appropriating the exact same amount for 2012 as we did in 2011 for the state programs, and then when we get to the point where we are out of money and spending more than appropriated because the Governor told us to live within our means, we will make headlines as we will have to use our fund balance, the money that we saved for a rainy day or for our projects, on state programs. It may be the only way we have to get everyone's attention. Right now if we raise taxes, we will just be "turkeys" after the Governor and the Legislature wanted to try to save the taxpayers, even though it's the state that will not reduce spending or live within its means. Does anyone have the stomach for wanting to raise taxes? Let's abide by the 2 percent increase and see what happens. The Governor and Legislature have been absolutely and totally irresponsible by telling us that we can't raise revenue, but we must raise spending. "It's unethical and immoral and has no integrity, and I want to shine a light on it," asserted Legislator Pullen. The public will be very upset if we pass legislation to override the tax cap. Legislator LaForge commented that we have been talking about a plan for the state to sweep the funds balance, and it looks like they are already doing it.

Legislator Sinclair stated that we have strong defensible programs, we have a lot of good things going for us, and we should be able to explain and defend an override. Legislator Pullen stated that many people do not want to hear or listen to the explanations.

County Treasurer Terri Ross stated that the cap is jumping the gun with what would normally happen. This year they are capping us at \$500,000. We don't normally look at these

numbers until next month. We normally try to absorb costs and keep programs, and this just has a different twist to the normal budget. We may not be able to keep under the 2 percent. The state has now limited us to the 2 percent cap, but what about the constitution that states we have the right to raise the taxes to a constitutional tax limit in the State of New York? Ms. Ross indicated that we are currently at 74 percent of our limit.

Legislator Fanton stated that we should not panic at this point. Legislator Hopkins stated that the first time you go through a budget, you will be high, and then you work to whittle it down. Legislator Fanton also asked about putting the percentage of the tax rate on the tax bills. Ms. Ross said the tax bills are produced by a state-issued program, and we can't change it. It's the percentage of tax levy that shows on the tax bill; however, we do list both the levy and rate on our budget summary.

Departmental Reports

Legislator Hopkins stated that the committee will plan to look at semi-annual reports from the larger departments at the next meeting. Ms. Ross will notify the departments.

Adjournment

There being no further business to come before the committee, the meeting was adjourned at 1:55 p.m. following a motion made by Legislator LaForge, seconded by Legislator Fanton and carried.

Respectfully submitted,

Brenda Rigby Riehle, Clerk of the Board
Allegany County Board of Legislators

BUDGET COMMITTEE
Special Budget Review
August 11, 2011

**** NOT APPROVED ****

Committee Members Present: T. Hopkins, D. Fanton, D. Cady, P. Curran, K. LaForge, T. O'Grady, C. Crandall

Others Present: M. Alger, D. Button, R. Christman, L. Edwards, G. Green, M. Healy, C. Hedstrom (w/two interns), M. Hennessy, B. Kelley, J. Luckey, R. Lynch, J. Margeson, T. Miner, J. Mulholland, V. Pettit, S. Presutti, B. Riehle, T. Ross, K. Slep, R. Starks, B. Thierman, K. Toot

Call to Order: Budget Committee Chairman Theodore Hopkins called the meeting to order at 9 a.m.

Public Defender – 2012 Budget Review

Public Defender Barbara Kelley attended the meeting to discuss her 2012 budget requests for the Public Defender's Office (A1170). Ms. Kelley referred to the new 2nd Assistant Public Defender position requested in her 2012 budget, noting that she has already talked about adding this additional position at the Public Safety Committee meeting. Ms. Kelley asserted that the need is great. Their caseload is 129 cases higher than last year, and two people cannot continue to do this volume of work. Her proposal included having the new Public Defender do support violations which are currently handled by Assigned Counsel for approximately \$48,000. The \$48,000 would not completely cover the \$70,000 salary that Ms. Kelley is proposing, but it would help. Ms. Kelley stated that the State will be cutting funding to counties over the next five years, and then using those funds to finance grants to counties to improve defense services. Ms. Kelley believes she could make a really good case for being able to improve defense services with an extra Public Defender. Mr. Margeson also made a few comments regarding different funding options. Committee members briefly discussed how much time would be spent on the support violations if the new attorney is added. Legislator Timothy O'Grady commented that if the grant dries up, the County would be stuck with a position that costs \$100,000 a year. Ms. Kelley pointed out that even if the grant was discontinued, there would still be a net savings to the County from the Assigned Counsel budget, provided her office assumes the support violations.

County Attorney – 2012 Budget Review

County Attorney Thomas Miner attended the meeting to discuss his 2012 budget requests for the County Attorney's Office (A1420). Attorney Miner indicated that he is comfortable with Budget Officer Margeson's changes. Attorney Miner briefly explained how revenue is generated in his office, noting that they generally bring in more revenue than they spend. Attorney Miner stated his office bills back at an hourly rate of \$75 which is a little lower than some counties. Committee members discussed the possibility of raising the hourly rate to recover more, and Chairman Crandall suggested that the County Attorney, DSS Commissioner, Treasurer, and County Administrator get together to discuss this matter further.

Consumer Affairs (Weights & Measures) – 2012 Budget Review

Weights & Measures Director Gilbert Green indicated that he is pretty much in agreement with Mr. Margeson's recommendations for his 2012 budget (A6610). It was noted that Mr. Green included \$25,000 for a new vehicle which Mr. Margeson removed; however, all vehicle requests were removed and will be considered under the Vehicle Replacement account (H5997.2).

Clerk of the Board – 2012 Budget Review

Clerk of the Board Brenda Rigby Riehle attended the meeting to discuss her 2012 budget requests for the following budget centers: Legislative Board (A1010), Clerk of the Board (A1040),

Central Services – Printing (A1670), Central Services – UPS (A1672), Central Services – Postage (A1673), Unallocated Insurance (A1910), Municipal Association Dues (A1920), and the CS Risk Retention Fund. Mrs. Riehle's 2012 budget requests were very similar to 2011, and there were no changes between what she requested, and what the Budget Officer recommended. Mr. Margeson commented that any changes to the Legislative Board members' compensation should be discussed during the tentative budget process, and discussion regarding all Section IV employee 2012 salaries is scheduled to begin after the Board meeting on August 22. Mrs. Riehle included a new part-time Confidential Secretary in her 2012 Budget, and committee members briefly discussed the advantages of having one dedicated employee take and distribute the minutes for all committees. Legislator Sinclair suggested that perhaps the position could be financed with money that should be leftover in the Unallocated Insurance account (A1910). Mrs. Riehle explained how revenue is generated and various departments are billed on the Central Service accounts.

Probation Department – 2012 Budget Review

Probation Director Robert Starks attended the meeting to discuss his 2012 budget requests for the Probation Department (A3140, A3142, and A3143). Mr. Starks noted that SORA (Sex Offender Registration Act) and ISP state aid have been included in the block grant budgeted under revenue account A10.3310.00. Mr. Starks stated that after completing his 2012 budget requests, he was notified that they would be receiving \$22,338 from the NYS Division of Criminal Justice Services for the Forensic Case Coordinator employed at the Allegany County Jail. County Treasurer Terri Ross stated that the funds should be reflected in Probation's appropriation account A3140.449 and revenue account A10.3310.06 in the 2012 Budget. A new line item for the Probation Department in 2012 will be A3140.447 budgeted at \$2,000 which will finance the fees for the DWI monitoring. Mr. Starks indicated that he plans to use a company called License Monitor, and he believes the charge will be \$1 per month per offender. The Probation Department currently monitors 94 individuals. There was a brief discussion about the possibility of Dispatch doing the monitoring. Mr. Starks requested \$24,500 under account A3140.201 for five new laptops (\$900 each), and a new High Density Filing System for \$20,000. Mr. Margeson recommended that \$20,000 be taken from A1990.429 (Contingency) to purchase the filing system this year. Legislator O'Grady asked if the ATI (Alternatives to Incarceration) Program saves the County money. Mr. Starks stated that the program saves far more than we spend on it. It allows the Jail more freedom in classifying inmates, and anyone out on pre-trial release is not costing taxpayers' money to house them. In addition, it also opens the bed up for paying customers.

Real Property Tax Department – 2012 Budget Review

Real Property Tax Director Steven Presutti attended the meeting to discuss his 2012 budget requests for the Real Property Tax Department (A1355). Mr. Presutti stated that he tried to stay with almost the same budget as last year; however, revenues are down slightly due to the decreased market. Mr. Presutti explained that the \$86,000 budgeted under revenue account A03.2210.00 represents assessment fees that are charged for processing the tax bills and rolls. The County charges the towns \$1.10 per parcel, and that has been the same for over ten years although our costs have increased.

Information Technology – 2012 Budget Review

IT Director Deborah Button attended the meeting to discuss her 2012 budget requests for Information Technology (A1680) and Central Service Telephone (A1610). Legislator Tim O'Grady commended Ms. Button's decrease in equipment to absorb personnel costs, noting that it will probably have to be done in every department. Ms. Button indicated that they should be good for a few years on major equipment purchases. Legislator Phil Curran asked about the license fees, and Ms. Button explained that every time a computer is upgraded, there are license fees associated with new software. Ms. Button indicated that the County currently has approximately 350 computer users, and they use approximately 15 different kinds of software. Legislator Kevin LaForge asked how vulnerable the County is to computer hacking, and Ms. Button indicated that many safeguards are in place, and they try to keep defenses up. Committee members asked what type of insurance coverage the County has if we should be hacked, and Brenda Rigby Riehle indicated that she would check, and

let them know. Ms. Button stated that Central Service Telephone costs are down slightly because they are able to do a lot of maintenance in-house. Some expenses increase when there is an emergency due to overtime costs.

County Clerk's Office – 2012 Budget Review

County Clerk Robert Christman attended the meeting to discuss his 2012 budget requests for the County Clerk's Office (A1410). Mr. Christman indicated that he still has a vacant Senior Account Clerk Typist position, and the civil service exam for that position will be given in October. It is becoming increasingly difficult to manage the extra work associated with that position so Mr. Christman would like to get it filled as soon as possible. Revenues are down because there have not been as many mortgages and deeds; however, our costs have gone up. Judgments and foreclosures through the civil division have gone up, and Mr. Christman's office does not receive as much revenue from those types of transactions. Department of Motor Vehicles fees remain fairly steady, and he always advertises for residents to use our local office. Mr. Christman stated that the State needs to share more of the revenue with the counties, and his association is always fighting to get more revenues for all counties based on residence. Committee members briefly discussed different strategies to encourage residents to use our local office for motor vehicle transactions. Mr. Christman mentioned passports and his frustration with the fact that the post office can mail out applications for free, and it costs his office \$12 each. Legislator LaForge asked about registering heavy equipment, and Mr. Christman indicated that it can only be done by the State, and they do not appear to be interested in changing or discussing it. The increase in oil, gas and mineral leasing has helped increase revenues in both the County Clerk's Office and the Real Property Tax Department.

District Attorney – 2012 Budget Review

Acting District Attorney Keith Slep attended the meeting to discuss his 2012 budget requests for the District Attorney's Office (A1165) and for Grand Jury (A1190) cost centers. Attorney Slep commented on Mr. Margeson's \$5,000 cut to account A1165.433 which finances the cost of special prosecutors, noting that you never know what these costs are going to be. The Byrne/JAG Fund reimbursement under revenue account A10.3031.05 will no longer be available, and that was budgeted at \$19,519 this year. The STOP-DWI revenue is also down slightly, and they are trying to get those that owe money to pay what they owe.

Veterans' Service Agency – 2012 Budget Review

Veterans' Service Agency Director Michael Hennessy attended the meeting to discuss his 2012 budget requests (A6510). Committee members briefly discussed Mr. Hennessy's request for Veterans Information Management System (VIMS). VIMS is a state-of-the-art widely used program to assist Service Officers in performing their daily duties. The unit price for the program is \$1,000, and the annual maintenance fee is \$450. County Treasurer Ross noted that the computer software should be budgeted under a .2 account, and it should also go on a fixed asset list, and a separate account should also be created to pay the annual maintenance fee. Legislator Mike Healy asked if Mr. Hennessy thought he could possibly share a secretary with another department. Mr. Hennessy responded that when the current secretary retires, he would like to replace her with another Service Officer that would be permitted to do additional things that the secretary is not authorized to do as the claims are becoming more complicated and involved. Mr. Hennessy indicated that they are working on obtaining gravestone plaques for past veterans that do not have them as many do not have a next of kin that can take care of these things.

STOP-DWI Program/Youth Bureau – 2012 Budget Review

STOP-DWI Program Coordinator and Youth Bureau Director Linda Edwards attended the meeting to discuss her 2012 budget requests for the STOP-DWI Program (A3141) and the Youth Bureau (A7310). Mrs. Edwards indicated that she decreased some of the Youth Bureau accounts and took more out of the STOP-DWI accounts, noting that the State has to approve the STOP-DWI budget so she can't be excessive. Her state aid has been decreased by about 25 percent. Mrs. Edwards stated that she requested an additional \$50 for the Youth Bureau dinner due to increased food costs, but she may be able to slightly increase the cost to guests to cover that. Mrs. Edwards is

working with Acting DA Keith Slep and Probation Director Bob Starks to recover DWI fine money that hasn't been paid. There could be approximately \$100,000 in fine money outstanding, and it would help tremendously to recover that. Due to the decrease in STOP-DWI fine money, the annual appropriation to the District Attorney's office has been reduced. The funding for Youth Court has also been decreased, and revenue has been added for VIP fees which we began receiving in May of this year. Legislator Kevin LaForge asked if there is a good way to assess the success of the program, and Mrs. Edwards indicated that decreases in DWIs would be one indicator; however, that also results in less revenue.

County Treasurer – 2012 Budget Review

County Treasurer Terri Ross attended the meeting to discuss her 2012 budget requests for the following cost centers: Treasurer (A1325), Tax Sale and Redemption (A1362), Auditing (A1671), Taxes on Municipal Property (A1950), Community College (A2495), County Reforestation (A8710), and Debt Service Fund. Ms. Ross stated that her .2 equipment accounts are down as the new financial system should be fully implemented. The postage account is hard to control, and the cost of certified mail is going up. Ms. Ross stated that the majority of the \$55,500 budgeted under A1325.403 for maintenance contracts goes for maintenance expenses associated with the New World System which is the County's financial system. We also have a new tax collection system (System East), and all tax collectors are on that same system. The maintenance cost is \$203 per user on the system, and the account will be replenished from the other tax collectors. Ms. Ross also mentioned that they got a new copier when they changed office locations.

Community College costs (A2495) have increased 5 to 8 percent since 2008, and Ms. Ross is requesting \$950,000 for that account. Legislator LaForge asked if there are any incentives for students to return to Allegany County to work after graduating. Committee members discussed the need to continue sending the Community College information to towns on a regular basis. Community College expenses are actually a town expense that the County pays, and it could really devastate a town budget if they had to pay these fees. There can be significant costs associated with having a Community College in your County, but Legislator Phil Curran noted that they also bring a lot of revenue into the area.

Ms. Ross noted that they have been able to implement a great plan over the last few years that has greatly reduced the costs associated with legal advertising for the tax sale auction. Ms. Ross stated that we have 87 parcels at the tax sale auction this year, and we usually see about 200 bidders at our auctions.

Our net cost on the annual auditing (A1671) is about \$36,700. It includes an actuarial audit on workers' compensation, and a separate third party does not need to review those.

Ms. Ross explained that account A1950 is used to pay taxes on County-owned property that is not being used for municipal purposes. Legislator O'Grady asked about the reforestation property and suggested it might benefit the County to get rid of some of the reforestation property and get it back on the tax rolls. Ms. Ross indicated that we do offset some of those costs by selling timber. Legislator Fred Sinclair stated that when the County is in a cutting cycle, the revenues far exceed the expenses. Mr. Margeson stated that the Assembly and Senate must sponsor a bill in order for a County to get rid of any reforestation land. Committee members briefly discussed the idea of selling some of the reforestation land. Ms. Ross explained all of the revenues collected by her office.

Our Debt Service Fund will require an interfund transfer from the General Fund in the amount of \$3,205,607. We do not have any short term BANS right now. The County Road portion comes from CHIPS funding. We received an interest subsidy of \$236,500 on ARRA borrowing, and we had an accelerated payment in 2011. Legislator David Pullen asked what the net cost for the Courthouse Project would be on an annual basis, and Ms. Ross stated that our payment for the debt service is about \$600,000 per year. Once we get through 2016, we will just have the Jail and the Courthouse.

County Historian – 2012 Budget Review

County Historian Craig Braack was not able to attend the meetings, but committee members reviewed his requests, noting that Mr. Margeson did not make any changes. There were no questions or concerns regarding the 2012 County Historian Budget.

Community Services – 2012 Budget Review

Community Services Accountant James Mulholland attended the meeting to discuss his 2012 budget requests for the accounts associated with Community Services (A4191, A4220, A4310, A4311, A4312, A4313, A4314, A4315, A4316, A4317, and A4390). Mr. Mulholland stated that the total net cost of the Community Services Agency to the County is \$230,000 which has remained the same for the past 12 years. Mr. Mulholland briefly explained each cost center to committee members. Mr. Mulholland stated that they have experienced some cuts to their aid, but they have been able to absorb them so far. They currently have nine contracts including ACCORD, Arc, Camp Get Away, etc., and they are already contracting out a lot of services and probably can't do more. Legislator Fred Sinclair emphasized that for the County's \$230,000 we take in over \$2.5 million most of which is spent here in the County.

Office for the Aging – 2012 Budget Review

Office for the Aging Director Kimberley Toot and OFA Accountant Vicki Pettit attended the meeting to discuss their 2012 budget requests for the Office for the Aging (A6772, A6773, A6774, A6775, A6776, A6777, A6778, A6779, A6781, A6782, A6783, A6784, A6785, A6786, A6787). Mrs. Toot distributed copies of a spreadsheet showing an overview of the Office for the Aging accounts, noting that the summary reflects any changes Mr. Margeson made to their accounts. Mrs. Toot noted that they have 16 different grants covered by four fiscal years. Mrs. Toot stated that their total increase in personnel is 3.06 percent or \$27,640. Overall they have kept their expenses to a .5 percent increase. Mrs. Toot indicated that they plan to operate the OFA as they did last year, but they did decrease the number of meals they will be serving, and they also budgeted a little less for respite home care. The decrease of \$20,295 in the caterer line item is because fewer meals have been budgeted for. When they serve fewer meals, they also receive fewer contributions and less federal money. They currently pay \$3.80 per meal, and they are on the last year of the Meals-on-Wheels Contract. For a County contribution of \$570,388, they will be bringing in \$1.263 million. They lost \$48,000 in aid, and if things stayed as they were, they would need an additional \$42,774. Legislator Ted Hopkins asked if they ever considered using prisoners to make meals at the Jail, and Mrs. Toot indicated that security issues become problematic. In addition, they can't use knives, etc., and if there was a lockdown, the meals wouldn't get delivered. The Nutrition Coordinator is actually doing a survey on that now. Committee members asked about the possibility of distributing the *Silver Linings* newsletter via e-mail. Mrs. Toot stated that the issue was discussed at a Senior Forum earlier this year and only about 25 out of 4,000 indicated that they wanted to receive it via e-mail. Mrs. Toot indicated that they plan to put the newsletter on the website, and they hope to move toward more e-mail distribution of the newsletter. Mrs. Toot noted that every newsletter has a contribution envelope, and it does generate some contributions. The OFA received \$274,000 in contributions last year. Mrs. Toot also remarked that they deal with a lot of people who are struggling to stay at home. With a few services, we can postpone institutionalizing and having them apply for Medicaid. Most Medicaid expenses are for long-term care. Mrs. Toot indicated that she will be attending a meeting next week to talk about other actions that can be taken to keep the elderly in their homes longer.

Tourism – 2012 Budget Review

Greater Allegany County Chamber of Commerce Executive Director Christina Hedstrom attended the meeting to discuss the 2012 Tourism Budget (A6989). Ms. Hedstrom indicated that the biggest change was an increase in the salary line. They also requested \$1,500 for a computer to do more in-house work for marketing. Legislator Tim O'Grady asked why the County would be paying for a computer if we are contracting with the Chamber to run our Tourism Program, and Mr. Margeson indicated that he removed it from the budget. Ms. Hedstrom commented that over the long haul, we should be able to save more money by purchasing the computer. The revenue account (A02.1989.04) for advertising was previously budgeted at \$18,000; however, Ms. Hedstrom indicated

that they usually only sell about \$5,000 in advertising and the line item (A02.1989.04) has been reduced to \$6,000. Ms. Hedstrom briefly talked about the new brochures, smart phone applications, and internet development. The I Love NY Matching Funds will probably only be about \$55,303, but Ms. Hedstrom budgeted \$60,000. Ms. Hedstrom explained that I Love NY funding can be used on in-County advertising if we are advertising to an out-of-County market more. Legislator Hopkins remarked that if the I Love NY funding is decreased, then the County match should also decrease, and Ms. Hedstrom stated that she hopes the County will continue to leave its match at \$60,000. The Chamber requested that the County increase its contract commitment from \$75,000 to \$84,700; however, Mr. Margeson cut it back to \$80,000 which still represents a \$5,000 increase. Overall the County is contributing \$140,000 to the Tourism effort -- \$80,000 directly to the Chamber, and \$60,000 for the I Love NY match. Mr. Margeson also clarified that if the state contributes less, the County is under no obligation to contribute more. Legislator Fanton asked Ms. Hedstrom if she met with representatives from Dresser Rand, and Ms. Hedstrom indicated that she has left messages, but she hasn't had a response yet. Dresser Rand's membership is still current as a local partner. Ms. Hedstrom indicated that she is trying to create a manufacturing council, and she would like to talk to them about what they might want to put forward, and how they want to be seen. She wants their input on how they are portrayed.

Legislator O'Grady asked what our tourism contract started at, and Mr. Margeson indicated that it was \$50,000 or \$55,000. Legislator Fanton stated that our Tourism Budget used to be higher. Mr. Margeson noted that New York State used to commit more when the economy was better. Legislator Hopkins mentioned the Bed Tax, noting that many believe that money should go to tourism. County Treasurer Ross stated that the bed tax is going toward the County's contribution to tourism. The bed tax revenue is approximately \$92,000, so that is \$92,000 you are not getting from local taxpayers, so the money you are getting from the bed tax does support tourism. Legislator O'Grady stated that tourism does not appear to be driving the bed tax, noting that the drilling activity in Pennsylvania is driving the bed tax in Wellsville. Chairman Crandall stated that he does not believe that we want to specifically tie the bed tax to a particular budget. Chairman Crandall also mentioned the Western New York Economic Development Council that the Governor recently put together, noting that tourism was in the top three priority sectors for the \$1 billion that will be distributed.

Emergency Services & Fire Service - 2012 Budget Review

Emergency Management and Fire Director Jeff Luckey indicated that he was happy enough with Mr. Margeson's recommendations for the Emergency Services (A3640) and Fire Services (A3410) budget centers. Mr. Luckey noted that the two accounts have been kept separate as they were in the past. Legislator Phil Curran questioned the \$1,650 under equipment insurance (A3410.406), and Mr. Luckey indicated that it was his share of insurance billed by the Clerk of the Board's Office. It was noted that this may be a duplicate entry as the insurance charge back is billed to the Office of Emergency Services under account A3640.406.

Employment & Training – 2012 Budget Review

Employment & Training Director Reita Sobeck Lynch and Accountant Brian Thierman attended the meeting to discuss their 2012 budget requests for the Employment & Training Center (CD1 Fund). Ms. Lynch stated that their request for County funding is about the same as last year at \$67,000. They are getting less from WIA (Workforce Investment Act) funding, but they adjusted their budget accordingly. Legislator LaForge asked if their funding sources look pretty stable, and Ms. Lynch replied that she believes they are ok for this year, but they'll have to see what the following year brings. Mr. Thierman briefly described how the Remedial Teachers and Counselors are hired part-time for the summer. Ms. Lynch reported that their usage numbers were down slightly in July, but they generally serve about 800 people per month which is the same level as last year. Mr. Margeson indicated that the Employment & Training Center has a fixed amount of money, and they have always budgeted accordingly so he seldom has to make any changes to their budget requests.

New York State Property Tax Cap

All Legislators received a copy of NYSAC's publication, "A Primer on Key Provisions of the New York State Property Tax Cap."

Adjournment

There being no further business to come before the committee, a motion was made by Legislator Fanton, seconded by Legislator LaForge and carried to adjourn the meeting at 2:15 p.m.

Respectfully submitted,

Brenda Rigby Riehle, Clerk of the Board
Allegany County Board of Legislators

BUDGET COMMITTEE
August 17, 2011

**** NOT APPROVED ****

Members Present: T. Hopkins, D. Fanton, P. Curran, K. LaForge, C. Crandall; (*Absent: D. Cady, T. O'Grady*)

Others Present: M. Alger, L. Ballengee, D. Burdick, A. Finnemore, V. Grant, K. Graves, R. Hartwick, M. Healy, D. Horan, R. Lynch, J. Margeson, D. Pullen, D. Roeske, T. Ross, F. Sinclair, K. Toot, R. Whitney

Call to Order: The meeting was called to order at 1:00 p.m. by Budget Committee Chairman Theodore Hopkins.

Approval of Minutes: A motion was made by Legislator Curran, seconded by Legislator Fanton and carried to amend the Budget Committee minutes of July 20, 2011, to reflect that in the paragraph entitled, *Projected Impact of 2% Cap*, the dollar amount \$500,542 in the second sentence should be \$550,542. The minutes as amended were approved following a motion made by Legislator Curran, seconded by Legislator Fanton and carried.

DEPARTMENTAL SECOND QUARTER 2011 REPORTS:

Health Department

Public Health Director Lori Ballengee distributed her department's second quarter financial report indicating that accounts are accurate and very close to projections. Through June 30, revenues received were at about 30 percent of the budgeted amount, but that doesn't reflect the amounts that lag behind by as much as three months due to the vouchering process for some grants. Appropriations are accurate at 27.6 percent of the budgeted amount. Mrs. Ballengee noted that an area of concern is the Medical Examiners account. Revenue was budgeted at \$10,080, and we've only received \$153; appropriations were budgeted at \$57,100, and we've expended \$37,930, or 66.4 percent. Late last year, the NYS Department of Health decided that medical examiners' activities would no longer be reimbursable under Article 6, so those expenses will now have to be covered totally by County tax dollars. The account is used for autopsy and coroner expenses. A couple of other accounts show low revenues, but that's because we are only reimbursed for what's used, and those accounts aren't used on a regular basis. Mrs. Ballengee is hoping to come in under budget by the end of the year.

Public Works Department

Public Works Superintendent David Roeske distributed his department's second quarter financial report, and stated that the status is the same as last quarter. Both Solid Waste and County Roads fuel accounts are projected to be short by about \$150,000, and the Landfill leachate account will be short. They were concerned that solid waste permit sales revenue was low (short by about \$145,000), but recycling revenue was higher which should offset it (already collected \$82,000 of the budgeted \$100,000, and the year is only half over). Appropriations are in line with where they should be. Discussion was held on possible reasons for the lagging solid waste permit sales. Mr. Roeske noted that he will probably refer the fuel and leachate account shortages to Ways and Means.

Social Services Department

Social Services Commissioner Vicki Grant distributed her department's second quarter financial report indicating that accounts are accurate and very close to projections. Ms. Grant

pointed out that Safety Net numbers are going up, due to the switch in reimbursement from TANF to Safety Net. Projecting out from last June to this June, Safety Net singles went up 65 percent, Safety Net families went up 50 percent, and TANF families went up 14 percent. That cost shift may help some counties, but probably not ours. The increase in Safety Net numbers hurts us. It was noted that not many other states have Safety Net programs. Ms. Grant stated that their accounts should be within budget this year, but next year may be different.

Office for the Aging

Office for the Aging Director Kimberley Toot distributed her department's second quarter financial report indicating that accounts are accurate and very close to projections. Appropriations were reported through June at approximately 41 percent of budget; revenues were reported through the beginning of April at \$220,541 or about 17 percent of budget. Mrs. Toot also showed revenues received in July for the first quarter and amounts vouchered and to be received soon totaling nearly \$340,000. Their accounts should end the year within budget. Donations are included in the revenues shown in the report.

Sheriff's Office

Sheriff Rick Whitney and Accountant Randy Hartwick distributed their second quarter financial report. Revenues reflect both an increase and a decrease. The increase is in the Act II Batterers' Program, which wasn't anticipated at budget time. The decrease is in the Transport of Federal Inmates account, due to going only to Buffalo now instead of both Buffalo and Rochester. That decrease in revenue is offset by a decrease in related expenses. Under appropriations, some accounts will be close, but overall they are projecting accounts will be within budget at the end of the year. Jail population is staying fairly level. The number of inmates housed-in for other counties is going up (currently housing 10). The ratio of local inmates to housed-in inmates (federal and other counties) is about 50/50. Chairman Crandall noted that when the new Jail was being looked at, it was believed that the bulk of the revenue would be from housing in for other counties rather than federal. The financial plan was to have revenue from outside sources to offset the bond payment of \$1.6 million. Year-to-date, \$1.3 million has been taken in towards that. There was discussion on whether or not revenue would cover the payment, but since the Jail has been up and running, it has held true. Mr. Hartwick pointed out that it's mainly the federal marshalls and ICE that accomplished that, because most of the other counties have had to build also. When asked about how the new computerized calling-in system has affected overtime costs, Mr. Hartwick stated that it has more than paid for itself. For 2011, \$375,000 was taken out of their budget in anticipation of savings, and it looks like they'll still be able to end the year within budget for personnel.

Sales Tax Report:

County Treasurer Terri Ross distributed copies of a Sales Tax Report including receipts through August 15, 2011, totaling \$11,190,618.94 and interest totaling \$841.17 (copy attached to original minutes). Allegany County's sales tax receipts are above last year's receipts at this time by \$822,018.24 or about 8 percent. Last month's receipts were \$35,000 more than the same month last year. By the end of the year, if things stay the same, sales tax receipts should be \$1.1 million more than what was budgeted.

General Fund Status and Tax Cap Information:

Ms. Ross reported on the current status of the General Fund. We have received about 58 percent of revenue for the year and spent about 48 percent of appropriations. She also distributed copies of "Property Tax Cap Implementation" information prepared by NYSAC that she received at the NYS Treasurers and Finance Officers Association meeting on August 8, for information purposes. It is very similar to the last information she handed out, but it is more condensed and a little clearer. We should know more about the economic growth factor in September. Once we release the Tentative Budget, we have to get that calculation going. Ms. Ross reported briefly on the Tax Sale Auction held on Saturday, August 13.

Budget Committee Meeting Schedule:

A reminder was given for the next budget review session to be held on August 25 from 9 a.m. to noon to work on departmental budgets.

A special meeting of the Budget Committee was scheduled for September 12 at 10 a.m. to go over the budget and discuss procedure.

Adjournment: There being no further business to come before the committee, the meeting was adjourned at 1:45 p.m. following a motion made by Legislator Fanton, seconded by Legislator Curran and carried.

Respectfully submitted,
Adele Finnemore, Deputy Clerk of the Board
Allegany County Board of Legislators

BUDGET COMMITTEE
Special Budget Review
August 25, 2011

**** NOT APPROVED ****

Committee Members Present: T. Hopkins, D. Fanton, P. Curran, K. LaForge, T. O'Grady, C. Crandall (Absent: D. Cady)

Others Present: M. Alger, L. Ballengee, H. Budinger, K. Dirlam, J. Foels, V. Grant, R. Hartwick, M. Healy, D. Horan, L. Hoyt, B. Riehle, D. Roeske, T. Ross, E. Ruckle, R. Whitney

Call to Order: Budget Committee Chairman Theodore Hopkins called the meeting to order at 9 a.m.

Human Resources – 2012 Budget Review

Personnel Officer Ellen Ruckle and Human Resource Specialist H. Bobby Budinger attended the meeting to discuss their 2012 budget requests for the Human Resources Office (A1430). Ms. Ruckle presented some information on PsTek Software which is civil service software and would take much of the manual "pencil and paper" work out of their civil service duties. Ms. Ruckle indicated that in addition to County Government, her office administers civil service to the Soil and Water Conservation District, all towns and villages, and all school districts in the County. As of December 31, 2010, Ms. Ruckle's office was responsible for the administration of 2,265 civil service employees in the County. Mr. Budinger explained how the software would connect all documents associated with each employee together, and how it would benefit their day-to-day operations and reporting processes. Ms. Ruckle briefly talked about the recovery of retiree subsidy drug money and the collection of civil service exam fees, noting that her office does generate some revenue for the County. Ms. Ruckle asserted that she has continued to operate the office with four employees despite increased requirements and demands, and she would like the committee to consider reinstating the software in her budget, noting that County Administrator/Budget Officer John Margeson removed it. The cost of the software is \$107,315 with an annual maintenance charge of \$15,000. Mr. Margeson noted that he removed several big-ticket items from the budget, and he plans to provide the Board with a list of those items on September 12, and they can decide what they want to keep in the budget. Ms. Ruckle also announced that she plans to retire around the end of June next year with 39 years of service.

Board of Elections – 2012 Budget Review

Elections Commissioners Elaine Herdman and Cass Lorow attended the meeting to discuss their 2012 budget requests for the Board of Elections (A1450). Mrs. Herdman indicated that County Administrator/Budget Officer Margeson removed their request of \$40,000 for NTS, full document imaging, which would eliminate files of all voter registration forms that they have now. Mrs. Herdman and Mrs. Lorow stated that they will try to apply for a grant for document imaging in February 2012. Scanning the voter registration cards would eliminate a lot of needed storage space, alleviate a lot of handling of the registration cards, and reduce the element of human error you get when things are handled manually. In addition, it would enable them to produce a lot of different reports. Legislator O'Grady asked about the possibility of charging the towns back for the software, and Mrs. Herdman indicated that their entire budget can be charged back to the towns, and it's up to the Board to decide what and how much is charged back. Mrs. Lorow stated that they eliminated their Education account (A1450.421) and took the \$2,000 that was previously in that account and added it to their Conference account (A1450.405), and Mr. Margeson reduced the .405 account from the \$3,500 requested to \$2,500. Mrs. Lorow indicated that they wanted to increase their conference account so that the two Commissioners and the two Deputy Commissioners could all attend three different conferences this coming year. Mrs. Herdman gave a brief overview of what happens at the conferences and the benefits of going. Legislator Phil Curran asked what the .432 General Government Support account described as Education/Training is for, and Mrs. Herdman indicated that it's the account that finances things associated with educating the voters. Mrs. Lorow expressed concern about Mr. Margeson's

reduction in the A1450.419 Printing account as they have the extra Presidential Primary in addition to the regular primary and general election.

Planning – 2012 Budget Review

Planner Kier Dirlam attended the meeting to discuss his 2012 budget requests for the Office of Planning Services (A8020). Mr. Dirlam referred to account A8020.493 which is labeled as “annual contract with O’Connell Associates for grant writing services for 10 grants.” Mr. Dirlam stated that Mr. Margeson reduced their \$60,000 budget request to zero. Although the 2011 amended budget for this line item shows zero, there was a \$30,000 appropriation for O’Connell, but it came out of a different pot. O’Connell Associates have not made it through all of the grants that they need to do. It appears that we may get a \$150,000 Appalachian Grant that can go toward water pipe infrastructure. Mr. Dirlam noted that the State didn’t issue any grant applications for the first few months, and then some were swept off the table. Mr. Dirlam stated that we may want to revisit funding for line item .493 at some point. Mr. Dirlam stated that an item that was not included in his budget would be \$25,000 for an update of the Comprehensive Plan, which must be done every four years. Legislator O’Grady asked about the ramifications of not updating the Plan, and Mr. Dirlam stated that the issue has to do with the Plan itself. Many things were finished, some ideas should be taken off the table, and there are a whole series of new projects that should be included. Development Director John Foels added that there is a review process that needs to be followed every four years. When an entity is applying for grant funding, it is a huge benefit to them to be able to state that their project is cited in the Comprehensive Plan. The return on investment is a lot. Chairman Crandall remarked that performing the update in-house is very inexpensive compared to hiring an outsider. County Treasurer Terri Ross stated that the Comprehensive Plan has its own budget in a separate cost center.

Development Office – 2012 Budget Review

Development Director John Foels attended the meeting to discuss his 2012 budget requests for the Development Office (A6430). Mr. Foels remarked that he requested \$4,500 in his A6430.201 account to replace three aging CPUs, and Mr. Margeson reduced that account to \$3,000. Mr. Foels stated that the \$5,000 in account A6430.475 will finance the cost of contracting services for Friendship Empire Zone annual reporting for the 80 existing companies. The \$40,000 in account A6430.478 is for contractual services with ACCORD Allegany Business Center, and the \$30,000 in A6431.474 is for the Comprehensive Plan Implementation Group (CPIG). Mr. Foels mentioned the need to add \$25,000 to this account to update the Comprehensive Plan as mentioned above.

Health Department – 2012 Budget Review

Public Health Director Lori Ballengee and Accountant Larry Hoyt attended the meeting to discuss their 2012 budget requests for the Health Department (A1185, A2960, A3645, A4010, A4035, A4037, A4043, A4046, A4050, A4051, A4052, A4053, A4054, A4056, A4060, A4070, A4071, A4072, A4189, and A4190). Mrs. Ballengee indicated that their 2012 budget requests are approximately \$150,000 less than their 2011 budget. Mrs. Ballengee indicated that they will probably get rid of most of their vehicles as they age out. Mrs. Ballengee noted that their insurance costs have dropped about \$20,000 per year now that they no longer have the Certified Home Health Agency.

Medical Examiner (A1185) costs are no longer covered by Article 6 as they are no longer considered a public health expense.

Mrs. Ballengee stated that over half of her budget is for expenses associated with the Special Education PHC (A2960) accounts, and they have no control over the spending for that program. In response to a question by Legislator Fred Sinclair, Mrs. Ballengee indicated that tuition primarily goes to BOCES and the Children’s Learning Center in Wyoming. They also contract with some private therapists, most of which are in Allegany County. They were able to reduce the budget slightly, but one autistic child can greatly increase costs.

Legislator Fanton asked where we stand with the Women, Infant and Children’s Program (WIC). Mrs. Ballengee indicated that the lease was renegotiated, and that will be up next October.

The WIC Program will not be able to absorb any rent increases. It costs the state about \$61,000 to re-wire a building so they will not pay to re-wire another building that is rented. The WIC Program does not cost the taxpayer any County dollars; it is 100 percent grant funded, and it brings in over \$1 million to be spent in the County.

Mrs. Ballengee thanked Accountant Larry Hoyt for the multiple spreadsheets he created summarizing the cost of Health Department employees. The Health Department currently employs 21 County employees and contracts with 17 others. The annual cost of the County employees is approximately \$919,427 plus another \$401,330 in fringe benefits, and they are able to recover about 36 percent from the State. The Health Department administers programs and provides services totaling approximately \$4.54 million at a net County cost of \$1.67 million. The Preschool Program alone accounts for approximately \$1.92 million of the cost for a net County cost of \$1.07 million, representing 55.9 percent of the County's share of the Health Department's budget.

Mrs. Ballengee stated that they discontinued their contribution to Mercy Flight. Other County Health Departments do not contribute, and Mercy Flight is doing very well. Most of their revenue comes from billing insurance. Legislator O'Grady mentioned that there is also an outfit in Hornell that operates a service similar to Mercy Flight.

Social Services – 2012 Budget Review

Social Services Commissioner Vicki Grant and Director of Administrative Services Donald Horan attended the meeting to discuss the 2012 budget requests for the Social Services Department (A6010, A6055, A6070, A6101, A6106, A6109, A6119, A6129, A6140, A6141, A6142, and A6150). Ms. Grant indicated that one of the biggest changes in her budget is that the TANF reimbursement rate has been increased from 75 percent to 100, and the Safety Net reimbursement decreased from 50 percent to 29 percent. Our Medicaid weekly cap will go up. Medical transportation is switching to e-billing so that won't be coming through our Social Services Department any more. Legislator Timothy O'Grady asked if there is a way to determine how much we were spending on medical transportation before the buses and how much we are spending now as he would like to see if it's really saving us money. Ms. Grant indicated that she prepared a comparison back in May, but if we had to find individual rides, it would be about \$42 versus the \$1 to ride the bus. The Access Allegany people keep track of ridership although their figures would include Arc clients as well. Ms. Grant said the buses save us liability too. We still make individual arrangements for people that are not able to ride the bus, and we do receive some reimbursement depending on the client's eligibility. Committee members briefly talked about how transportation expenses are reimbursed. Mr. Horan stated that we are only going to pay a fixed, capped amount for our annual Medicaid expenses, and the State is required to absorb the difference. The bus system also saves Medicaid a lot. Even if we have to make some special arrangements for the bus to make some medical transports at \$42/hour, we can put more people on the bus. More than half the people needing medical transportation are riding the bus for \$1.

Public Works Department – 2012 Budget Review

Public Works Superintendent David Roeske attended the meeting to discuss his 2012 budget requests for the Public Works Department (A1490, A1620, A3152, A8160, D Fund, DM Fund, and H Fund). Mr. Roeske asserted that we have been in a budget crunch for the last ten years. We are down to about a 26-year rotation on repaving, and we should be on a 15-year rotation schedule. The roads should also be sealed every 7 years, and we are at about every 18 years. We are spending a lot of money on patch, and you are going to start getting phone calls because our roads are starting to fall apart. Prices keep going up. Our infrastructure is starting to crumble before our eyes, and we need to keep up with that investment. It's happening all across the state. Mr. Roeske indicated that they take care of 340 miles of road, which is divided between four districts. Mr. Roeske stated that the same thing is happening with some of his equipment, and big equipment usually lasts about 20 years. Mr. Roeske noted that he has not had an opportunity to discuss the cuts Mr. Margeson made to his equipment. Legislator O'Grady asked if each district keeps track of their equipment and how much it is used, and Mr. Roeske indicated that mileage is tracked year-to-year, but it's not done month-to-month.

Committee members remarked on the \$10,000 budgeted for repairs to the County Jail roof, noting that the building isn't that old and shouldn't need repairs yet. Committee members also briefly discussed the humidity controls in the pods.

The Landfill will need to be closed in about five or six years, and we need to begin building that account up. Public Works Committee Chairman Dwight Fanton stated that they also need to come up with about \$900,000 to finish the Landfill. He is asking for a special meeting on September 12 to award the bids that will be opened on September 9.

Sheriff's Office – 2012 Budget Review

Sheriff Rick Whitney and Accountant Randy Hartwick attended the meeting to discuss their 2012 budget requests for the Sheriff's Office (A3117, A3020, A3110, A3111, A3112, A3152, A3510, and A3150). It was noted that Mr. Margeson recommended that \$45,000 listed under account A3112.203 to finance the replacement of the E-911 Recorder be purchased out of A1990.4 (Contingency) this year. Sheriff Whitney indicated that he met with Mr. Margeson earlier this week to discuss some things. They may take out the \$125,000 for the new CAD under account A3112.403 and put it on the list of big expenditures that will be going to the Budget Committee on September 12. Legislator LaForge asked about the Forensic Clinical Coordinator listed under A3150.448, and it was noted that is the position that Probation Director Robert Starks received grant money for that will finance about half of the cost of the position. The Sheriff discussed his vehicle situation with committee members, and Mr. Margeson reminded everyone that all vehicles will be purchased out of the separate capital fund. Legislator O'Grady stated that \$35,000 is a lot for one vehicle, and the Sheriff explained that they planned to purchase a Tahoe as it's nice to have the 4-wheel drive with our terrain. Legislator O'Grady commented that he is not opposed to a 4-wheel drive vehicle, but he doesn't believe that every vehicle needs to have that feature.

County Administrator – 2012 Budget Review

County Administrator John Margeson presented 2012 budget requests for the following cost centers: A1011, A1171, A1320, A1340, A1990, A5630, A7180, and CSH Risk Retention Health Fund.

Mr. Margeson stated that he needs to double check on the account listed as A1011.417 on his paperwork because if that's the rental for the church parking lot, that amount will need to be doubled.

For the Beach and Pool account, Mr. Margeson is proposing a slight increase for the Recreation Supervisor. There was no increase in the .4 accounts which are reimbursable under the State Division for Youth; however, our state aid has dropped significantly.

The Bus Transportation account (A5630) has been budgeted at \$820,000. Our contract with First Transit expires July 1, 2012. The corresponding revenues for this account are budgeted at

\$740,000. Mr. Margeson has had some preliminary discussion with Carrie Whitwood at the Rural Health Network about beginning to develop a new RFP. It was noted that the Arc is proposing to develop two new routes in the northern part of the County. County Treasurer Ross stated that revenue account A10.3589.01 should be separated to show that \$80,000 is from the Social Services Department, but the bottom line will remain the same.

Mr. Margeson explained that the Risk Retention Health Fund finances the expenses associated with employee health insurance, and Mr. Margeson went through each line item explaining what it is used for. Budget Committee Chairman Theodore Hopkins commented that the Risk Retention Health Fund has not increased in several years.

The Assigned Counsel (A1171) and Contingency (A1990) accounts are the same as 2011.

Future Meetings

The next Budget Committee meeting will be held at 10 a.m. on Monday, September 12.

It was noted that Hodgson Russ is hosting a Property Tax Cap Workshop at the Crossroads Conference Center on Tuesday, August 30, and there is no cost to attend.

Adjournment

There being no further business to come before the committee, a motion was made by Legislator Fanton, seconded by Legislator LaForge and carried to adjourn the meeting at 11:10 a.m.

Respectfully submitted,

Brenda Rigby Riehle, Clerk of the Board
Allegany County Board of Legislators

BUDGET COMMITTEE
Special Budget Review
September 12, 2011

**** NOT APPROVED ****

Committee Members Present: T. Hopkins, D. Fanton, D. Cady, P. Curran, K. LaForge, T. O'Grady, C. Crandall

Others Present: M. Alger, J. Margeson, B. Riehle, T. Ross, K. Toot

Call to Order: Budget Committee Chairman Theodore Hopkins called the meeting to order at 10 a.m.

Preliminary 2012 Budget

County Administrator/Budget Officer John Margeson reported that after the initial round of cuts, the preliminary 2012 Budget requires \$31,584,562 to be raised by real property taxes. Last year that figure was \$27,527,083. Mr. Margeson indicated that he went through the budget again last week and made a number of additional cuts in various places, and he was able to reduce the amount to be raised by real property taxes to \$31,034,257. At this stage, the difference between what we raised in 2011, and what we need to raise is \$3,507,174. Our 2 percent cap dictated by the State is \$656,000. With the cuts Mr. Margeson made, the increase is at 12.75 percent right now.

Mr. Margeson distributed a list of items costing \$10,000 or more and totaling \$3,446,312 that he removed from the budget. Legislator Timothy O'Grady asked if the extra Public Defender position and the position the Clerk of the Board requested were still in the Budget, and Mr. Margeson indicated that they were.

Legislator Karl Graves asked where the bulk of the increase is coming from, and Mr. Margeson indicated that a lot is coming from the Department of Social Services. In addition, the retirement bill went up from about \$12.1 million to \$16.6 million. The estimate for 2013 is \$18.9 which will need to be in the 2012 Budget so that it can be paid in December 2012. Our budget consists of about \$21 million in salary. Committee members briefly talked about the changes in TANF and Safety Net in the Social Services budget. Mr. Margeson stated that Mr. Horan in the Social Services Department hopes to have an idea later this week what the federal revenue stream might look like for Safety Net. Mr. Margeson stated that when he met with Department Heads earlier this summer, he suggested that they budget for any anticipated buy outs of sick and/or vacation time from employees that may be retiring. The DSS Accountant Don Horan budgeted about \$120,000 for that, and Mr. Margeson ended up pulling all of that. Mr. Margeson stated that he reviewed the Social Services budget over the last few years, and he believes they were slightly over budget.

Landfill Closure Project

Mr. Margeson stated that they may have to look at putting the closure of the two cells at the Landfill off for a year. Public Works Committee Chairman Dwight Fanton stated that he does not believe that it can really be put off a year, and Mr. Margeson indicated that there is only about \$58,000 in the Landfill Closure Capital account so the funds to finance the closure will have to be taken out of fund balance or borrowed. Legislator Fanton stated that he believes the closure will cost about \$2 million. Legislator Philip Curran stated that if we are going to try to pay for the cost of the new maintenance building out of the Courthouse Project Bond, perhaps we could use the money budgeted for the maintenance building toward the cell closure or toward the transfers they recently requested. Legislator Don Cady expressed concern that there was only one bid on the Landfill Closure Project.

Assessed Value

The County's taxable assessed value went up about \$24 million last year and was \$1,628,184,581. This year's figure should be available next month. Ms. Ross stated that last year we got a final figure on October 27. Last year our tax levy went up 1.4 percent, and the rate went down .07 percent.

Sales Tax Revenue

Mr. Margeson noted that sales tax revenue was budgeted at \$17,750,000 for 2011, and he believes we will see a surplus in our Sales and Use Tax Revenue account (A01.1110.00) for 2011. The Sales and Tax Revenue account for 2012 has been budgeted at \$18.1 million.

Tentative 2012 Budget

Mr. Margeson indicated that he plans to make a few more cuts and enhancements to revenues before filing the tentative budget on September 27. Mr. Margeson stated that we have some funds available in reserves, and we don't want to completely wipe those out, but some could be applied as revenues for 2012.

Chairman Crandall suggested that it would be nice to have a list of positions that have been cut over the last few years so we have an understanding of what efforts have been made, and Mr. Margeson indicated that he would work on putting something together.

Legislator Kevin LaForge stated that it looks like our only option is to take money out of fund balance. Legislator LaForge asked Mr. Margeson if he could squeeze another \$1 million out. Mr. Margeson stated that he is trying to get the numbers as low as possible, but he doesn't think he can take out that much without cutting personnel.

Legislator Fanton suggested that a press release should be prepared that clearly defines how much our costs have gone up, and where the increases are coming from. Legislator Fanton stated that we need to describe why certain costs have gone up. We need to get the word out that we are not the culprits here. There are some things that we will eventually need to look at, but we are in a lot better place than we were a few years ago. Legislator Fanton asserted that we're headed back because we are going to have to use our fund balance. Legislator Don Cady stated we also need to describe the expenditures we have no control over.

Demand for Services

Legislator Fanton stated that we haven't seen any lessening of demands for our services. Businesses run by demand, and the businesses can't expand because their demand has gone down. Many people over extended when they were able to get loans they really couldn't afford. The demands for our County services haven't gone down in the same way. Legislator O'Grady asserted that if you are offering programs that you can no longer afford, then you need to cut. The State is dictating what we can afford. There are projects on Mr. Margeson's list that we would like to do, but we can't. It doesn't matter how we got here, but we need to look at how we are going to move forward. Chairman Crandall stated that Allegany County has already tightened their belt, and the programs that are left are not excessive. We are pretty skeletal compared to many counties.

Tax Cap

Legislator Dwight Fanton stated that he is not interested in going over the cap. Legislator Timothy O'Grady suggested that we should cut spending in addition to taking some out of fund balance. Legislator O'Grady stated that we are just stretching out the inevitable, and we need to look at how much money there is in non-County programs. A lot of those programs bring money in, but we usually have to appropriate money on top of what they bring in. Legislator O'Grady mentioned a few programs that are not required. Legislator Fanton stated that he would like to see where we end up before we panic.

Chairman Curtis Crandall stated that mandated programs drive the taxes in New York, and that's one of the reasons why 1.5 million people have left New York. The last few years we have had a surplus in our budget, and prior to a few years ago, we did not. We do not have the wiggle room to have a \$1 million surplus. In this financial environment, counties can't exist by robbing their fund balances, and the State needs to look at what is driving these costs. Something has to give, but we don't have enough to give on the local side. At this time next year, hopefully there will be some relief on the state level. If New York State is going to maintain a tax cap, they need to look at what's driving it.

Legislator LaForge asked if consolidation and efficiency expenses are exempt from the cap, and County Treasurer Terri Ross stated that if the State determines there is a cost savings, they may exempt it, but it won't be up to the counties or localities, it will be up to the State.

Legislator LaForge asked if some believe there will be a rising up from the counties that do not have a fund balance to help them stay under the cap. There is going to have to be some mandate relief. Some counties will be ready to declare bankruptcy. Chairman Crandall stated that it would have to be a joint effort and driven by counties larger than Allegany County. The \$2 million surplus we saw in 2010 could be used for other things like infrastructure.

Legislator O'Grady stated that New York State doesn't care what the counties think. We know the State is pushing these costs, but the average newspaper reader doesn't understand that. If we start cutting services, then we can send them to their state representatives. Legislator O'Grady asked if there have been grumblings from other counties that they are not going to be able to stay under the cap. New York State has turned us into managers for its programs and nothing else. It was noted that some counties plan to override the cap. Legislator O'Grady stated that he believes that will make the issues worse, noting that everyone should stay under the cap, and if they can't manage the program, they should go to the State.

Ways & Means Committee Chairman Theodore Hopkins stated that this will also hurt the schools. Ms. Ross indicated that the schools don't have to count their capital projects which will help some. It was noted that schools are only allowed to keep a fund balance equal to 4 percent of their budget. Ms. Ross noted that if the County does not use the full 2 percent, they can use up to 1.5 percent the following year which is good if you know you have a big project coming up.

Legislator LaForge stated that he predicts within the next year, they will move toward forced consolidation. They are sucking the fund balance up, and there won't be anywhere else to go. Legislator Karl Graves stated that the cap is a joke, and the purpose is to force consolidation. The well is dry.

Legislator Sinclair stated that if we play to the cap every year, we are making the problem worse when it comes home to roost. Legislator Sinclair talked about the need to educate the public regarding the cap, noting that we are running a very efficient operation. Legislator Sinclair asserted that we shouldn't play into the cap, noting that other counties have figured this out, and they aren't going to be hit with a huge increase in a few years because they have just been spending their fund balance to balance the budget. Legislator Hopkins suggested looking at passing a tax cap law in January. If we don't, we will end up eliminating valuable programs and only operating the State's programs, and we might better turn the keys over to the State. Mr. Margeson stated that some counties are taking this strategy, and their legislators are looking at passing a local law to override the cap if they need to.

Funding for Projects

Legislator Fred Sinclair stated that he would like to see us understand and research President Obama's proposal as it may have an implication for some of our bridges. We should slot everything we can into that program as soon as possible. Legislator Sinclair stated that he doesn't know if we put something in our budget if it would knock it out of eligibility, but it could influence our decision

making. We may want to have our shovel-ready bridges ready in case the proposal passes Congress. Chairman Crandall stated that they don't know how they are going to pay for it yet, and Legislator Fanton stated they will also have restrictions on it. Legislator Sinclair stated that he is just suggesting that we need to watch things carefully. Legislator LaForge noted that there is a lot more paperwork to qualify for a federal bridge program than anything else.

Future Meetings

Legislator Hopkins would like to meet next Monday, September 19, at 3 p.m. Legislator Hopkins suggested that committee members should come up with a list of things they would like to see cut.

Adjournment

There being no further business to come before the committee, a motion was made by Legislator O'Grady, seconded by Legislator Curran and carried to adjourn the meeting at 11:10 a.m.

Respectfully submitted,

Brenda Rigby Riehle, Clerk of the Board
Allegany County Board of Legislators

BUDGET COMMITTEE
Special Budget Review
September 19, 2011

**** NOT APPROVED ****

Committee Members Present: T. Hopkins, D. Fanton, D. Cady, P. Curran, K. LaForge, T. O'Grady, C. Crandall

Others Present: M. Alger, D. Burdick, L. Hoyt, T. Hull, J. Margeson, B. Riehle, T. Ross, F. Sinclair

Call to Order: Budget Committee Chairman Theodore Hopkins called the meeting to order at 3 p.m.

2012 Preliminary Budget

County Administrator/Budget Officer John Margeson stated that a week ago, the tax levy required to balance the budget stood at \$31,034,257. Since then Mr. Margeson has amended the preliminary budget by either making cuts or changes in revenue that have reduced the amount needed to be raised by real property taxes by \$1,169,400, so today \$29,864,857 would be needed by the real property tax levy to balance the budget.

Mr. Margeson stated that County Treasurer Terri Ross has calculated the maximum allowable levy for 2012 based on property tax legislation and exclusions that get factored into that which are essentially any amount that exceeds 2 percent of the retirement bill along with the differences in the pilot payments we received from 2010 to 2011. The pilot payment amounts make a very small difference of approximately \$7,000. Based on where we are at and the maximum levy of \$28,243,717 that can be imposed, we would need to take \$1,621,140 out of fund balance to get below the 2 percent property tax cap. It was noted that these figures do not include any corrections or charge backs.

Budget Committee Chairman Ted Hopkins requested Mr. Margeson to go through the \$1,169,400 in changes he made, and Mr. Margeson recited the following:

On the Appropriation Side:

- \$25,400 was taken from various .1 accounts
- A9030.803 (Social Security) was reduced by \$150,000
- A9010.802 (State Retirement) was reduced by \$200,000
- County Road Fund Balance was reduced by \$200,000
- Road Machinery Fund Balance was reduced by \$100,000
- Self-Insurance Group Fund Balances were reduced by \$75,000
- Debt Service Fund Balance was reduced by \$50,000
- A1171.430 (Assigned Counsel) was reduced by \$25,000
- A1450.419 (Elections-Printing) was increased by \$6,000

On the Revenue Side:

- A02.1809.00 (Repay Aid to Dependent Children) was increased by \$25,000
- A07.2690.00 (Tobacco Settlement) was increased by \$25,000
- A08.2701.04 (Refund Prior Year Expenses-Medicaid) was increased by \$50,000
- A11.4615.00 (DSS FFFS) was increased by \$250,000

The above can be summarized as follows:

Real Property Tax needed as of September 12, 2011	\$31,034,257
Budget Officer Adjustment to Tentative After September 12	<u>\$ 1,169,400</u>
Real Property Tax needed as of September 19, 2011	\$29,864,857
Maximum Allowable Levy for 2012	<u>\$28,243,717</u>
Amount Needed from Fund Balance to Stay Within Cap	\$ 1,621,140

Legislator Fred Sinclair asked if the New York State Retirement Bill has been paid, and Ms. Ross indicated that it would be paid on December 15.

Legislator Timothy O'Grady stated that without any cushion, our fund balance is not going to be as rich as it has been in the past. It sounds like everyone wants to use the fund balance to balance the budget, but we won't have a balance at the end of the year like we have the last few years so it will run out quickly. We really need to budget leaner. Legislator Dwight Fanton stated that our Sales Tax Revenue should be about \$1.35 million higher than budgeted so that would make up for what we are taking out of fund balance to balance the 2012 budget. Legislator Philip Curran stated that you can't plan on that growth.

Treasurer Ross talked about needing to make some adjustments to the 2011 budget for the contract settlements; however, there was money put aside to make these adjustments.

Tentative Assessed Value

Ms. Ross stated that Real Property Tax Director Steve Presutti informed her that the tentative assessed value is \$1,671,499,079. This figure represents a \$43 million increase over last year's figure of \$1,628,184,581.

Tax Levy Cap

Ms. Ross distributed copies of a spreadsheet (*attached to original minutes*) regarding the tax levy cap and associated calculations as follows:

Levy Using CAP 2.6%

Balance to be Raised by Real Property Taxes = \$28,243,717 (*2011 figure = \$27,527,083*). This would result in a \$716,634 increase in levy over the previous year, and a .01 decrease in the tax rate per thousand.

Average County Tax Rate = \$16.897237549 (*2011 figure = \$16.906610787*). This would result in a 2.60 percent increase in the tax levy, and a .06 percent decrease in the tax rate.

County Taxable Assessed Value = \$1,671,499,079 (*2011 figure = \$1,628,184,581*). This represents a \$43,314,498 increase in taxable assessed value.

It was noted that the total 2012 preliminary budget calls for appropriations of \$113,288,688 which represents a decrease of \$10,132,769 from the 2011 budget of \$123,421,457. There was a corresponding decrease on the revenue side as most of this decrease was because of the way food stamps are now being processed.

Levy as of Now – Over the CAP

Balance to be Raised by Real Property Taxes = \$29,864,857. This represents a \$2,337,774 increase in the levy over last year, and a .96 increase in the tax rate per thousand.

Average County Tax Rate = \$17.867109456. This represents an 8.49 percent increase in the tax levy, and a 5.68 percent increase in the tax rate.

Levy with 0% Increase

Balance to be Raised by Real Property Taxes = \$27,527,083. This represents a .44 decrease in the tax rate per thousand.

Average County Tax Rate = \$16.468500250. This represents a zero percent increase in the tax levy, and a 2.59 percent decrease in the tax rate.

As we stand right now, it would take \$2.3 million for us to get to a zero percent increase.

Comments Regarding Cap

Legislator Philip Curran stated that if we have the same situation next year, we will have to cut people because there won't be a lot of other things like machinery to cut.

Chairman Curtis Crandall stated a number of years ago, the Board created a tax stabilization fund with the tobacco money, and we funded it briefly. The point was to put money away to even things out in hard years. We are using the "piggy bank" now, but this scenario can't sustain itself, and we will eventually use all of the money up. Chairman Crandall talked about some of the mandates and stated that hopefully the state will address some of the things that are driving the tax rate up. Many counties are in worse shape than we are because they don't have a fund balance to fall back on. Something has to give on the upper level because we cannot continue to sustain things the way they are.

Legislator Ted Hopkins stated that if the Governor really wants to have the State open for business, there still needs to be additional changes in what's driving costs. The cap may end up being a good thing, and hopefully we can ride it out for a few years. We have to start lowering property taxes.

Treasurer Terri Ross stated that she thinks this is terrible for the taxpayer. They think their taxes are going to go down, and they aren't. In addition, counties are so focused on settling for the 2 percent cap, that they end up settling when they reach that point, rather than looking harder to further reduce the budget.

Legislator Tim O'Grady asserted that we should be looking at a combination of cuts and use of fund balance, noting that last year we took almost \$1 million to balance the budget, and this year we are putting in \$1.6 million. How long do we go? Ms. Ross commented that it is very difficult to recoup these funds.

Consolidation

Legislator Kevin LaForge stated that the towns and villages will be under even more pressure than we are. Perhaps we should take more money from fund balance to look at a realistic study of consolidation. A well planned strategy for consolidation may be well received in many circles. Legislator Dwight Fanton briefly talked about the differences in town budgets and staff, noting that he

believes it would be very difficult for them to consolidate. Committee members briefly discussed how grant funding that was going to be available for shared services was swept off to combine with the Governor's funding proposals. Those funds need to be reapplied for after October 1.

Payments on Courthouse Project

Legislator Doug Burdick asked about the payments on the Courthouse Project, and Ms. Ross stated that our payment will be \$340,000 in principle and \$772,000 in interest. Legislator Don Cady stated that if we were to use our fund balance to pay off the Courthouse Project, we could save \$700,000 in interest each year. Mr. Margeson stated that he wouldn't recommend doing that because we receive about \$260,000 in federal money as an interest subsidy. In addition, of the \$700,000 in interest we pay, we end up recouping approximately \$500,000.

Budgeting

Legislator Dwight Fanton asked Mr. Margeson where he could find another \$500,000, and Mr. Margeson responded that they would have to eliminate the Office for the Aging to find another \$500,000.

Legislator O'Grady stated that our problem is with personnel. Although our WIC Program brings a lot of money into the County, the personnel to run that program are not free. The overhead of the retirement fund alone is a huge expense. Legislator Curran agreed that the long-term costs of personnel are going to kill us. Legislator O'Grady indicated that if the County wants to maintain all of the current services, they have to be paid for. Legislator O'Grady believes it would be better to do a few things well, than all of the extra things. We cannot maintain services without raising taxes. Legislator Hopkins stated that we have all of these social programs that we are required to provide, and then we can't afford to offer some of the programs that we would like to offer.

Legislator Ted Hopkins stated that he believes it's prudent to take the \$1.6 million out of fund balance to balance the budget at this time. It was noted that we currently have approximately \$15 million in our fund balance. Legislator Fanton stated that we will have to look at services again next year, but he is not in favor of cutting any services at this time. Legislator Philip Curran suggested that the committee should ask the departments to cut their own budgets by a certain percentage next year, noting that they would have a year to plan for it.

Chairman Crandall stated that there is only so much that you can take out of operating expenses without looking at programs. Chairman Crandall noted that we have already cut quite a few positions. We can't continue to operate state mandated programs. Allegany County is already pretty lean compared to many other counties.

Legislator Fred Sinclair asked what happened to the idea of passing an override in January. Legislator O'Grady stated he is personally not in favor of that, and he believes that we need to live within our means. Legislator O'Grady stated that if you do what Legislator Curran suggests, you may be surprised where the savings might appear.

Budget Chairman Ted Hopkins asked if all committee members were in favor of using \$1.6 million from fund balance to balance the budget. Legislator O'Grady stated that he is against using fund balance. Chairman Crandall stated that the committee can still make changes after the Tentative Budget is filed. We are still going to be looking at firmer figures and adjustments that need to be made.

Investing in the Future

Legislator Mike Healy stated that the single best thing we could do would be to invest some money in Belvidere. It would bring in additional property tax and sales tax revenue. You could use that same money to offset your budget, and then it will be gone. It needs to be invested in something.

Future Meetings

The Budget Committee meeting scheduled for Wednesday, September 21, 2011, will be cancelled. There will be a special Committee of the Whole meeting to review the 2012 Tentative Budget on Monday, October 24, at 9 a.m.

Adjournment

There being no further business to come before the committee, a motion was made by Legislator O'Grady, seconded by Legislator Curran and carried to adjourn the meeting at 4:05 p.m.

Respectfully submitted,

Brenda Rigby Riehle, Clerk of the Board
Allegany County Board of Legislators

BUDGET COMMITTEE
October 19, 2011

**** NOT APPROVED ****

Committee Members Present: T. Hopkins, D. Fanton, K. LaForge, T. O'Grady, C. Crandall
(Absent: D. Cady, P. Curran)

Others Present: M. Alger, D. Burdick, M. Healy, K. Graves, J. Margeson, D. Pullen, B. Riehle,
T. Ross, F. Sinclair

Call to Order: The meeting was called to order by Budget Committee Chairman Theodore Hopkins at 1:05 p.m.

Approval of Minutes

A motion was made by Legislator Fanton, seconded by Legislator O'Grady and carried to approve the Budget Committee minutes of September 21, 2011.

Sales Tax Report

County Treasurer Terri Ross distributed copies of a Sales Tax Report reflecting receipts through October 13, 2011, totaling \$14,703,105.41 and interest totaling \$1,128.60 which reflects a 5.757 percent increase or \$800,401.62 over last year at this time. Ms. Ross noted that our actual receipts were down a little this month, but we are still over our projected 2012 budget.

Adjournment

There being no further business to come before the committee, the meeting was adjourned at approximately 1:10 p.m. following a motion made by Legislator LaForge, seconded by Legislator Fanton and carried.

Respectfully submitted,

Brenda Rigby Riehle, Clerk of the Board
Allegany County Board of Legislators

BUDGET COMMITTEE
November 16, 2011

**** NOT APPROVED ****

Committee Members Present: T. Hopkins, D. Fanton, D. Cady, P. Curran, K. LaForge, T. O'Grady, C. Crandall

Others Present: M. Alger, L. Ballengee, D. Burdick, M. Healy, J. Hopkins, K. Graves, J. Margeson, D. Pullen, B. Riehle, T. Ross, F. Sinclair

Media Present: B. Quinn, *Wellsville Daily Reporter*

Call to Order: The meeting was called to order by Budget Committee Chairman Theodore Hopkins at 1:05 p.m.

Approval of Minutes

A motion was made by Legislator Fanton, seconded by Legislator Curran and carried to approve the Budget Committee minutes of October 19, 2011.

Sales Tax Report

County Treasurer Terri Ross distributed copies of a Sales Tax Report reflecting receipts through November 14, 2011, totaling \$15,919,255.53 and interest totaling \$1,128.60 which reflects a 5.089 percent increase or \$770,875.91 over last year at this time. Ms. Ross noted that she hopes and projects that the sales tax revenue account will be over budget by approximately \$1.2 million this year.

2012 Budget Summary

Treasurer Ross also distributed a new summary of the 2012 tentative budget which was updated to reflect action taken at the Board meeting on Monday as follows:

Appropriation Adjustments

A3140.1 (Probation – Personnel)	\$14,584
A3140.4 (Probation – Contractual)	\$10,800

Revenue Adjustments

A10.3310.05 (Probation – SORA)	\$19,800
A02.1580.MISC (Probation – Misc.)	\$ 5,584

Ms. Ross noted that these changes will not change the levy.

Tax Cap/Constitutional Tax Limit

Ms. Ross stated that tomorrow she plans to file the County's 2 percent tax cap calculation and constitutional tax limit with the State, and both were within mandated amounts. Once the tax cap was adjusted for our pilots, we were about \$41,000 under the cap. Once all exclusions were applied to our constitutional tax limit, we were at 71.6 of our constitutional tax limit. It was noted that this figure is much lower than it has been in recent years which is a very good sign.

Budget Committee Chairman Ted Hopkins stated that if a County has big pilots that suddenly end, it could be very difficult to fall under the 2 percent cap. Ms. Ross stated that most of Allegany County's pilots are for an extended length of time, and the amounts are relatively small compared to some areas. Ms. Ross stated that she will look at the pilots and let the committee know when they are due to expire and how this might impact our budget.

Budgeting

Legislator Hopkins stated that when he attended the NYSAC Fall Conference, they had a seminar on budgeting for two years, and they gave two different examples. The NYS Comptroller has a program that is relatively simple, and then there are methods like what Ontario County uses that develop two-year budgets. Ms. Ross explained that for this year, Ontario County would be working on their 2013 budget and just modifying the 2012 budget they developed last year. Legislator Hopkins suggested that Allegany County might want to consider looking at developing a budget for two years especially since we had to use \$1.6 million of our fund balance to stay under the 2 percent cap for 2012. Ms. Ross stated that she will look at the calculations on the Comptroller's website and try punching in our 2012 figures to see how everything works. Legislator Hopkins also commented that Ontario's system may seem extreme, but we should be able to make some assumptions that would enable us to begin developing future budgets. Legislator Hopkins asserted that we really need to look at this especially if we do not want to use more and more fund balance every year.

Adjournment

There being no further business to come before the committee, the meeting was adjourned at approximately 1:18 p.m. following a motion made by Legislator LaForge, seconded by Legislator Fanton and carried.

Respectfully submitted,

Brenda Rigby Riehle, Clerk of the Board
Allegany County Board of Legislators