

## **BUDGET COMMITTEE**

**January 17, 2018**

**NOT APPROVED**

**Committee Members Present:** P. Curran, P. Stockin, J. Burdick, B. Harris, J. Ricci, C. Crandall  
(Absent: D. Fanton)

**Others Present:** L. Ballengee, G. Barnes, T. Boyde, D. Decker, K. Graves, D. Healy, K. Hollis,  
R. Hollis, K. Hooker, J. Hopkins, J. Kelley, C. Knapp, B. Riehle, T. Ross, M. Washer

**Call to Order:** The meeting was called to order at 11:02 a.m. by Budget Committee Chairman  
Phil Curran.

### **Approval of Minutes**

A motion was made by Legislator Stockin, seconded by Legislator Ricci, and carried to approve the Budget Committee minutes of December 20, 2017.

### **Sales Tax Report**

County Treasurer Terri Ross distributed the final 2017 Allegany County Sales Tax Report reflecting receipts totaling \$19,754,601.12. The year-to-date figures show an increase of \$464,949.59 or 2.410 percent more compared to last year at this time. Ms. Ross stated we are \$1 million over the budget figure used for 2017, and we were 2.4 percent higher than 2016 year-end. Ms. Ross stated that we have received our first payment for 2018 totaling \$578,130.96, and are up approximately \$40,000. Committee Chairman Curran stated it's a positive note to start the year.

### **2018 Budget**

Ms. Ross distributed a copy of the 2018 Budget detail by cost centers as well as a detailed summary of the County's mandated and non-mandated programs. Ms. Ross gave a brief explanation of the following County programs shown in the summary:

- Mandated programs with federal and/or state funding
- Mandated programs with no federal and/or state funding
- Non-mandated programs with federal and/or state funding
- Non-mandated programs with no federal and/or state funding

Ms. Ross stated that non-mandated programs with no aid that have a negative County cost have to come from either our levy or another generated source of funds. Legislator Decker stated he recently was asked by a constituent if we are receiving gaming revenue from the Seneca Gaming & Entertainment Oil Spring located in Cuba, NY. Ms. Ross stated, no, we were receiving gaming revenue from the State of New York as part of the Governor's economic development program from different casinos in the region. It was for host and non-host counties within the region; however, the Cuba casino is not considered an Allegany County casino; therefore, we received non-host funds. Chairman Crandall stated the County was part of the exclusivity zone that provided a portion of the revenue to all counties that were within the zone, adding that it was only for larger class casinos, and the Seneca Gaming & Entertainment Oil Spring is not a part of that.

Ms. Ross distributed a completed analysis of the 2018 Budget that shows what programs generated an increase to our Budget. The report shows what was budgeted in both 2017 and 2018 to run these programs as well as the change in net County cost to run these programs in

2018. Ms. Ross discussed what contributed to the \$1,455,539 increase to the 2018 Budget, citing different factors to include, an increase of \$404,291 to cover programs, the County lost \$24,550 in appropriated reserves, as well as \$571,159 in other revenue sources.

### **10-Year Analysis**

Ms. Ross distributed a 10-year analysis that shows changes over the last 10 years to the following:

- Tax Levy
- Tax Rate
- Taxable Value
- County Budget
- Sales Tax
- State Aid
- Federal Aid
- "Big 4" Funding Sources
- Retirement Bill
- Outstanding Debt

Ms. Ross stated that in December 1986 we raised the sales tax rate from 3 percent to 4 percent, and in December 2004 we raised the sales tax rate from 4 percent to 4.5 percent. Ms. Ross continued that in the early 2000s, we had experienced changes with our State and Federal Aid and how we had to budget for the Home Energy Assistance Program (HEAP) as well as Food Stamps. Ms. Ross went on to list the following major funding sources and the percentage they support the 2018 Budget:

- Tax Levy – 25 percent
- Sales Tax – 16 percent
- State Aid – 12 percent
- Federal Aid – 12 percent
- Miscellaneous Sources – 35 percent

### **Retirement Bill**

Ms. Ross discussed the Retirement Bill stating the \$2 million increase over the course of two years contributed to the decline in our financial position during 2003, 2004, and 2005. Ms. Ross stated our last retirement incentive was in February 2012; however, we paid it in one lump sum rather than installments. Legislator Decker asked if the County keeps all hotel tax generated within the County. Ms. Ross stated, yes, that is our tax.

### **Outstanding Debt**

Ms. Ross stated that currently we are down to only having debt on two buildings with maturity dates of 2029 and 2035. Legislator Harris asked if the amounts reflected in the report are principal amount only, and Ms. Ross stated, yes.

### **Schedules**

Ms. Ross stated that schedules are required to be included in the Budget and listed the following:

- Schedule 4 represents Statement of Special Reserves as of September 30, 2017
- Schedule 5 represents a statement of Debt as of September 30, 2017
- Schedule 6 represents Capital Fund Projects as of September 30, 2017
- Schedule 7 represents Estimated Unreserved Fund Balance as of September 30, 2017
- Schedule 8 represents S495 Exemption Impact Report as of September 30, 2017

Ms. Ross noted that the dollar impact value of the County's tax exemptions total approximately \$14.5 million. Legislator Harris asked if we get reimbursed by the state for any tax property exemptions. Ms. Ross stated, no. Legislator Harris referred to the Cold War Veterans Real Property Tax Law, and asked if we are required to adopt it, and Chairman Crandall stated it is optional.

### **"Big 5" Budget Reports**

Ms. Ross stated they are currently working on revamping the "Big 5" Budget Report schedule and will re-submit it once it is finalized.

### **Adjournment**

There being no further business to come before the Committee, the meeting was adjourned at 12:08 p.m. following a motion by Legislator Harris, seconded by Legislator Ricci, and carried.

Respectfully submitted,

Meghan Washer, Confidential Secretary to the Clerk of the Board  
Allegany County Board of Legislators