

**ALLEGANY COUNTY BOARD OF LEGISLATORS
COMMITTEE OF THE WHOLE
January 19, 2010**

**** APPROVED ****

Legislators Present

D. Burdick, D. Cady, C. Crandall, P. Curran, M. Healy, T. Hopkins, K. LaForge, T. O'Grady, D. Pullen, F. Sinclair, N. Ungermann (*Absent: G. Benson, D. Fanton, A. McGraw, D. Russo*)

Others Present

J. Foels, J. Margeson, T. Miner, B. Riehle, T. Ross

Chairman Curtis W. Crandall called the meeting to order at 6:35 p.m. and led the group in the Pledge of Allegiance.

Chairman Crandall provided a brief history of previous Committee of the Whole meetings and touched on some of the issues that were hot topics during the prior Legislative term. Chairman Crandall stated that this special Committee of the Whole was scheduled to provide Legislators an opportunity to ask administrative and policy questions as well as brainstorm ideas. Issues brought up will not be debated tonight, but will be referred to the proper person or committee for further action or discussion.

Frequently Used Standing Committee Forms

County Administrator John Margeson distributed a packet of forms that are frequently used with our committee structure as follows:

Blue Referral Form:

The Blue Referral Form is used by one Standing Committee to refer a matter to a second Standing Committee when the second Standing Committee's concurrence is necessary to complete an administrative action. The form is usually completed by the Department Head requesting an action or can be completed by the person who is taking minutes for the Committee. The form must be signed by the Chair of the Committee and returned to the Clerk of the Board. Mr. Margeson provided some samples of when the blue referral form would be used.

Transfer Memorandum:

Budgetary transfers of less than \$5,000 per transaction within the same family of sub-accounts can be approved solely by the County Administrator. The Transfer Memorandum is submitted by a Department Head to his/her Committee when the Department Head wishes to transfer more than \$5,000 per transaction from one line item to another so long as it is within the same family of sub-accounts.

Mr. Margeson explained the difference between main accounts (A1010, A1040) and sub-accounts (.201, .407). Mr. Margeson stated that he provides a monthly report to the Board of any transfers that he has approved during the month.

Memorandum of Explanation:

Rule 170 of the Rules of the Allegany County Board of Legislators requires that, for certain Legislative actions requiring passage of a resolution, a Memorandum of Explanation must be presented to the Committee. If the Committee approves the Department Head's request, the Memorandum is forwarded to the Clerk of the Board and it ultimately is attached and made a part of the Resolution which is presented for consideration to the full Board. The Memorandum of Explanation is intended to be a plain language explanation of what the Resolution will accomplish and why.

By Rule 170, the following legislative actions require a Memorandum of Explanation:

- * Appropriation or transfer of monies
- * Creation of Civil Service positions
- * Contracts to purchase or lease goods or services
- * A Memorializing Resolution
- * A Resolution fixing compensation or employment benefits
- * Disposal of real or personal property

Request to Fill Position Form:

This form is completed by the Department Head and submitted to his/her Committee of Jurisdiction at such time as a Department Head goes to fill a vacant position in his/her department. If the request to fill the position is approved by the Committee, the form and the request are referred to the Ways and Means Committee for final approval. Mr. Margeson indicated that the Request to Fill Position Form first started being used in 2003, and it helps answer a lot of questions and streamline important information.

District Meetings

Clerk of the Board Brenda Rigby Riehle stated that Section 8 of Local Law No. 1 of 1969 which created the Board of Legislators, and Section 8 of the Local Law adopted in 1993 which reapportioned the Board, require that the County Legislators meet at least once every three months during each calendar year with the Town Supervisors of the towns within their district. Mrs. Riehle stated that in past years, her office has sent meeting notices three to four weeks before a meeting to all town and village clerks letting them know when meetings have been scheduled, and she would be happy to continue that if Legislators can let her know when the meetings will be held. Mrs. Riehle indicated that some members of the public have expressed an interest in attending these meetings. If all district meetings were scheduled at the same time, a notice could be put in the paper; however, it would not be cost effective to publish individual meeting notices. The town and village clerks are requested to post the notice. Chairman Crandall explained how District I usually schedules and plans their meetings. Chairman Crandall also indicated that they try to coordinate the meetings so that all three Legislators from that District can attend.

Miscellaneous Housekeeping Issues

Mrs. Riehle requested that Legislators let her know any time they are not able to attend a particular meeting.

Mrs. Riehle stated that her office is available to help in any way that they can. If any Legislator would like work done, or is looking for specific information from any department, requests should be made directly to the Department Head so that the Department Head can assign the work to the appropriate employee.

Legislators should obtain their County employee identification cards, and Mrs. Riehle explained the process and brought forms that need to be completed.

Open Meetings Law

Mrs. Riehle stated that the County Attorney confirmed that the ad hoc committees are subject to the same Open Meetings Law regulations and requirements that the regular standing committees are subject to. Any meeting appearing on the official Board calendar will meet the proper meeting notification requirements as the calendar is posted and widely distributed. Legislator Sinclair questioned the need to make a meeting open when members are on a fact-finding mission. County Attorney Thomas Miner stated that there would be some practical limitations, and some situations may warrant an executive session, but it's always wise to err on the side of being open. County Attorney Thomas Miner clarified that while it is always a good practice to provide advance

notice of meetings and allow them to be open to the public, the legal requirement to do this is limited to official bodies having the ability to conduct official business. If the official body is simply advisory in nature and comprised of more than just Legislators, it is not subject to the Open Meetings Law. However, if an advisory committee is comprised solely of County Legislators and advises a standing committee, or the full Board regarding official business, it is subject to the Open Meetings Law.

There was a brief discussion regarding the amount of notice that must be given when scheduling a meeting. (*The Open Meetings Law indicates that if a meeting is scheduled at least a week in advance, notice must be given to the public and the news media not less than 72 hours prior to the meeting. When a meeting is scheduled less than a week in advance, notice must be given to the public and the news media "to the extent practicable" at a reasonable time prior to the meeting.*) Our Board Rules indicate that a forty-eight hour notice in writing shall be given to each Board member unless the member waives the giving of such notice in writing.

Public Officials Insurance

Legislator Dwight "Mike" Healy asked if Legislators are covered by the County as far as any civil litigation. County Attorney Miner stated that the County has insurance that covers public officials unless they were engaged in a criminal act.

Open Comments

Chairman Crandall opened the meeting up for general discussion. Chairman Crandall stated that there are some things we do not have any choice about such as the Courthouse addition and renovation. The landfill is filling up and will need to be addressed, and a Public Works Ad Hoc Committee has been created to address those issues. We have ongoing budget issues, and we do not know what may be coming down from the state. The Chairman also stated that a new standing committee was created to step up the efforts in planning and development.

The following comments and ideas were mentioned:

County-Wide Sewer and Water

Chairman Crandall stated that our County is in need of a County-wide sewer and water assessment and plan. A lot of projects have taken place around the County in expanding and joining systems. Perhaps something can be done on a County level. Legislator Sinclair asked if there is still money available for consolidation of services, and Chairman Crandall and County Administrator Margeson said they thought money was still available. Legislator David Pullen stated that there is so much diversity between communities that either have an abundance or shortage of water, and it can really make a difference in terms of development. Most businesses of any size will not consider developing in an area without public water and sewer as well as other infrastructure such as gas and internet.

Lighting at Interstate Exits

Legislator Pullen stated that he would love to see lighting at the interstate ramps as he believes it would make these exits much more inviting. It was noted that lighting is a town issue, and Attorney Miner stated that he does not believe a County can create a lighting district in a town; however, he will investigate it further. The average annual cost for lighting at an exit is approximately \$7,000 to \$8,000.

Grant Funded Positions

Legislator Timothy O'Grady stated he would like the Personnel Committee to look at which positions are grant funded and when the funding for these positions runs out. Mr. Margeson stated that he does not know of an existing list; however, he does not believe it would be a monumental task to put one together. Legislator O'Grady stated that he would like to see this reviewed annually, noting that some positions may need to be abolished and/or cleaned up. Chairman Crandall stated

that the information on the organization charts that should be included with the annual reports could be expanded to include this information.

Development Office & Proactive Action

Legislator Theodore Hopkins stated that if we are serious about development, do we have the right structure to do it? Foels is a one-man show; are we geared up enough. Perhaps this is a charge for the new Planning and Economic Development Committee to look at. From a committee standpoint, we tend to be reactive rather than proactive. Committees should be giving Department Heads the charges; we need to think about what we want done to be proactive.

County Forested Lands

Legislator Donald Cady asked if the revenues balance the expenses associated with the County's forested lands. Mr. Margeson stated that we do not have a County Forester; we have a contract with Soil and Water to manage our County forest land. Legislator Cady stated that perhaps it is no longer cost efficient for the County to own these lands especially if they could be put back on the tax rolls. Legislator Fred Sinclair stated that the Forester position was eliminated when the County began contracting with Soil and Water. A ten-year analysis was done, and the money brought in on hardwoods was ten times the amount of the contract and the cost of taxes paid to towns. The multiplier was there to continue on with that process. We only have 2,000 acres, and you have to manage the forests. Legislator Sinclair stated that we will probably be entering a heavy period of harvesting in about ten years. Legislator Sinclair indicated that they did look at taking the first acre along the main roads for long-term rentals or building lots that could be developed. State legislation is required before any County forested lands can be sold, but we may be able to get approval considering the economic atmosphere. Legislator Sinclair stated it could be a viable idea. Chairman Crandall commented that a good viable development project along road frontage would carry more weight than some non-specific idea.

Crossroads

Legislator Douglas Burdick asked where we stand with the water and sewer district at Crossroads. Development Director John Foels stated that we've going through the engineering, archeological studies, design work, cost estimates, and the map, plan and report were done. The project had to be approved by the Comptroller's Office because the costs to the individual users along the way were going to exceed the level set by the Comptroller's Office. Mr. Foels reported that Chairman Crandall, County Administrator Margeson and he went to the Comptroller's Office this past fall, and the Comptroller's Office does not want Allegany County to build a water and sewer district that will adversely affect citizens, or be a burden to the taxpayers. Mr. Foels stated that we do not have the "build it and they will come" mentality. There are ongoing conversations as to how the resolutions should be worded. Right now the project sits in Albany for their review and comment.

Chairman Crandall said this is not a project that can sit idle; we need to continue to push it along. We need to continue to look at funding options to help lessen the financial burden. At one point, there was a push in Senator Schumer's office; however, the funding is not there right now and the process needs to start over. There are other funding sources and streams that need to be pushed and explored. If we just went with the wording that the Comptroller wanted, we might as well scratch the project. Legislator Burdick asked if we have a plan to advance on this. Chairman Crandall stated that we need to pursue all funding sources that are available, and we need to have a reasonable resolution put together. The Comptroller's Office has to approve the district, and they will not do that if they feel the County is exposed too much financially. Mr. Foels mentioned that there have been some discussions with Congressman Massa, and he indicated that he would try to attach some funding in a bill he is sponsoring. The project is estimated to cost \$6.1 million, and funding will need to be a combination of things – federal, state, local, and the individual developer.

Legislator Philip Curran asked who the Crossroads Project was designed to benefit. Chairman Crandall responded that it was designed to benefit the entire County as a whole through increased tax base and sales tax generation. Legislator Curran asked who is going to purchase the property to accomplish that, and the Chairman indicated that it would be private developers. Legislator Curran commented that it really is a “build it and they will come” project then. Chairman Crandall stated that the intent is to have private developers lined up in conjunction with the project so it is more of a “get it ready to build when they come” project. Legislator Curran asserted that there are plenty of smaller projects around the County. Two in District V would be extending the Alfred sewer down into Alfred Station and perhaps even to Almond and then for the Towns of Grove and Burns to run Swain down to Canaseraga’s main sewer. Chairman Crandall indicated that was where he was going regarding County-wide sewer projects and working with the municipalities involved for the funding. If we had a consistent list and stream of projects that were ready to go, there may be funding to get those done.

Development – Meeting with Local Officials

Legislator Timothy O’Grady suggested holding a meeting with local officials to see if they really want economic development. The Mayor of Wellsville commented that he would like to see Allegany County stay like it is. Do the people that we are gearing projects toward, want development? A discussion regarding water and sewer projects could be tied in with it. It would be nice to get the main corridors linked up with water. Chairman Crandall stated that you have to have the municipalities buy in with or partner with development ideas. Hopefully the Board generally sees development and expanded tax base as a positive thing. We cannot maintain services and fund what we need to fund without some form of development. Part of this has already happened with the creation of the Comprehensive Plan and the meetings that were held in all five of the Legislative Districts. Prior to District meetings, there was an extensive process municipality by municipality to formulate the Comprehensive Plan. As we get into more strategic plans that affect municipalities, they have to be on board. Chairman Crandall asserted that we have enough places that will be development friendly and appreciative of any efforts that we can focus on those areas.

Legislator Sinclair commented that when the Comprehensive Plan was being developed, there were extensive meetings and opportunities for comment. One of the appendices is the 2007 to 2012 HUD Plan which has some excellent ideas regarding development. There is so much in the Comprehensive Plan, and there are a lot of places to operate and develop that are not controversial.

Chairman Crandall stated that development should create positive finances in the long run. Legislator Donald Cady referred to the millennium pipeline which was completed in a year’s time back in the 1980s. New York State has been resisting the proposed improvements and expansion stating that they do not want to hurt the environment, but many problems and leaks in the line could be improved with the proposed expansion.

Legislator O’Grady stated that his point is that he just doesn’t want to see us push a project, and then have it run into a lot of resistance. We need to be on the same page with others.

Legislator David Pullen stated that the state keeps upgrading standards so we can’t do some of the things that we used to be able to do. Legislator Pullen referred to some of the new standards regarding water and sewer. We need to comply with water and sewer regulations, but it can be very expensive to come into compliance – it’s a very nasty environment we have to deal with. How can we preserve community at a price that doesn’t drive everyone out of town?

Legislator Theodore Hopkins stated that we need to urge local communities to develop local plans that will fit into the County plan. Many communities do not have a comprehensive plan, and when they go to apply for money, they are not eligible. If we had a County-wide sewer and water authority, some of this could be taken care of. Legislator Curran stated that before we go to a big project, perhaps we need to work on smaller projects and get our tax base built up that way. Swain

is one of the largest sales tax providers in the County, and they can't expand much without municipal sewer.

County Planning and Tourism

Legislator Sinclair stated that in response to needing more people working on projects, the Planning and Economic Development Committee plans to propose the hiring of a County Planner. We expect that position to be a start and first step toward being able to make these moves and help communities facilitate, and we will also use that person to help build our planning and development capabilities.

Legislator Sinclair also indicated that the committee plans to propose adding another position to the County tourism efforts which has brought approximately \$56 million into the County. Legislator Sinclair referred to the Comprehensive Plan, noting that we need to develop delivery mechanisms, and we are taking steps to do that. There needs to be dedicated funds to support going after grants to do projects; we can't just throw them up to townships. It's difficult for small communities to lift that much weight, and we need to develop the mechanisms to assist them. Legislator Sinclair referred to using a dedicated fund that could be replenished, and he suggested that a percentage of tax revenues should be dedicated to economic development and financing the things we are talking about. Now is the time for us to do this, and Legislator Sinclair indicated that he plans to bring people together that can help accomplish some of these things through the new Planning and Economic Development Committee.

Legislator Sinclair stated that he agrees with eliminating positions that are no longer needed, but he suggested that we should come up with a process that will show what will be lost or gained before any action is taken. All pieces should be put on the table before we expand or cut, and an analysis needs to be done.

Legislator O'Grady stated that he does not mind the idea of setting up a dedicated fund, but every one or two percent that is taken from one area, needs to be made up in another area. Legislator Sinclair stated that the dedicated funds should be an investment with a return. Building a tax base is the primary goal; grants go away. Legislator Donald Cady stated that if something isn't working out, you can make adjustments. Legislator Sinclair stated that we need to have a process in place for evaluating agencies we support so that we can defend where we are putting tax dollars.

Legislator Pullen stated that if you look around the County at hot spots of activity or where there is some growth taking place, you will find that someone had a dream or an idea. We have to preserve and enhance existing businesses while we create and encourage new businesses. Legislator Pullen stated that he is in favor of what Legislator Curran talked about, and he is also in favor of what we are trying to do at Crossroads. Legislator Pullen stated that the Crossroads Project can only happen if we cooperate and have a common vision. Legislator Pullen doesn't know if we can convince the state that we will not spend money until we have businesses committed to coming, but who will build here without water and sewer? We need to try to break the gridlock.

Legislator Dwight "Mike" Healy stated that the Crossroads Project should benefit the entire County. It's the center of the transportation corridor, and anything done at Crossroads should be good for the entire County. Legislator Pullen commented that even if it doesn't change the property tax, it should help sales tax. County Treasurer Terri Ross stated that sales tax revenue is approximately \$17.3 million.

Oil & Gas

Legislator Cady stated that the people in Wirt would like to get into oil and gas, but the state is dragging their heels. There is also talk of wind power. We are pretty much hamstrung by our government. It is difficult for some to see how development in one area of the County will benefit them in a different area.

County Beautification

Legislator Sinclair stated that beautification of the County should be addressed. Some towns are hesitant to enforce building codes, or some building codes are not being properly applied. Legislator Sinclair suggested looking at County-wide assessing, code enforcement and zoning. This may infringe on what a property owner can do with and on his property so it could be a very hot topic. Chairman Crandall stated that perhaps facilitating a shared services plan might be something to look at, but it can be costly.

Legislator Pullen stated that in the Northwest corner of the County, seven towns are now cooperating with code enforcement, everything is coordinated, and the cost has consistently gone down with better service. They also dovetailed together with assessing. The County previously opted out of code enforcement so if towns and villages opt out, it would jump over to the state.

Future Meetings

Chairman Crandall announced that a second meeting will be held on Tuesday, February 16, from 6:30 to 9:00 p.m. at the Crossroads Commerce & Conference Center.

Executive Session

A motion was made by Legislator Burdick, seconded by Legislator Hopkins and carried to enter into executive session to discuss the employment history of a particular corporation. Immediately following discussion, a motion was made by Legislator Burdick, seconded by Legislator Hopkins and carried to end the executive session and return to the regular meeting.

Adjournment

A motion was made by Legislator O'Grady, seconded by Legislator Hopkins and carried to adjourn the meeting at 9 p.m.

Respectfully submitted,
Brenda Rigby Riehle, Clerk of the Board

**ALLEGANY COUNTY BOARD OF LEGISLATORS
COMMITTEE OF THE WHOLE
February 16, 2010**

**** APPROVED****

Legislators Present

G. Benson, D. Burdick, D. Cady, C. Crandall, D. Fanton, M. Healy, T. Hopkins, K. LaForge, T. O'Grady, D. Pullen, F. Sinclair (*Absent: P. Curran, A. McGraw, D. Russo, N. Ungermann*)

Others Present

J. Foels, J. Margeson, B. Riehle, T. Ross

Media Present

D. Roorbach – Olean Times Herald

Chairman Curtis W. Crandall called the meeting to order at 6:40 p.m. and led the group in the Pledge of Allegiance. Chairman Crandall provided a brief summary of the items discussed at the previous Committee of the Whole meeting held on January 19.

Support Letters

Chairman Crandall stated that the Board receives numerous requests throughout the year for letters of support, the majority of which are from ACCORD, and we have standard letters that we send from the entire Board. Chairman Crandall requested Legislators to sign a signature page that will be attached to these letters. It was noted that the signature page will not be used on any controversial issues.

NYSAC Conference

Eight Legislators attended the NYSAC Conference from February 8-10, and the resolutions that were considered at that conference are on file in the Clerk of the Board's Office. Chairman Crandall mentioned one resolution that was considered at the NYSAC Conference -- *Resolution Calling Upon the Governor and the Legislature to Undertake a Major Commitment to Rebuild our Economy by Reducing the Cost of Doing Business in New York State*. Chairman Crandall stated that he thought the resolution was weakly written. Chairman Crandall stated that NYSAC is a collective voice representing all of the counties in New York State; however, we may see some things differently than others living in different parts of the state. Chairman Crandall also talked about a comment regarding fund balances for school districts that he thought was disturbing because of the impact it could also have on counties, and that was the mentality that the state will provide less funding because if an entity has a fund balance they can absorb it. Chairman Crandall stated that NYSAC is a first-class organization that represents the counties well. On a smaller scale is the Inter-County Association of Western New York which represents 19 counties. Allegany County's delegates on Inter-County are Glenn Benson, Kevin LaForge and Brenda Rigby Riehle.

Legislator David Pullen talked about the NYSAC Standing Committees and encouraged other Legislators to get involved on these committees. Legislator Pullen asserted that we can't count on other counties to present our views, and we should have representation on many of the committees. Legislator Pullen indicated that he plans to serve on the Medicaid committee. Legislator Dwight Fanton mentioned that Medicaid costs for New York State are estimated at \$31 billion annually.

Marcellus Shale

Legislator Cady stated that he read the Governor's proposal regarding Marcellus Shale. They have a staff of 29 people already, and they plan to add six more positions, and this staff will

oversee the drilling of the Marcellus Shale. Legislator Kevin LaForge stated that he felt like the whole Marcellus Shale process has been hijacked by Tompkins County people, and that it will take a lot of pushing from this direction to make it happen. Legislator Fanton commented that Tompkins County doesn't have that much shale, but they have people that seem to be fighting it quite hard. Legislator Pullen stated that someone commented that we need to be more cautious and we need to do a study to determine what questions we should be asking. Legislator Pullen mentioned that some of the environmental groups have put out form letters against the drilling. Legislator LaForge stated that we just want some regulations from the DEC so that the drilling industry can decide whether or not to drill.

Online Booking Services

Legislator Theodore Hopkins stated that County Treasurer Terri Ross brought this up before the NYSAC Conference, but another issue discussed was the practice of an internet company reserving many rooms for a certain price, and then reselling them for more. (They may buy them for \$100, and then resell them for \$150.) The state ends up losing the additional sales tax that could have been generated on the higher price, and they are estimating that they are losing possibly \$7 million in annual revenue because of these online booking services. Ms. Ross indicated that they are looking at a federal resolution, and we should be hearing more about this in the near future.

Medicaid

Legislator Pullen talked about hidden implications under some of the new Medicaid compliance regulations. There are three separate agencies in Albany that have their own separate and distinct Medicaid compliance requirements, and many times they need similar information that takes time and manpower to process. Legislator Pullen stated that if they discover we haven't been operating our system correctly, they can bring charges or assess penalties. Everything has become very intense, adversarial and partisan. It was noted that County Administrator John Margeson is Allegany County's Medicaid Compliance Officer.

Legislator Fanton mentioned that 40 percent of our Medicare recipients are also eligible for Medicaid, and Medicaid actually ends up picking up many of the costs that should be assigned to Medicare. Legislator Pullen stated that by law, Medicaid should be the "payer of last resort."

IDA Fees

Chairman Crandall said that one of the hot issues at NYSAC was the tax imposed on local Industrial Development Agencies by New York State as a means to help close the state's budget deficit. The NYS Department of Taxation sent bills to every IDA in the state for 4.7 percent of the gross revenue received by each IDA in 2008, and the bills are due March 31, 2010. Chairman Crandall stated that this action was part of some legislation tucked into the budget bill. Development Director/IDA Executive Director John Foels stated that the measure was included in legislation that was enacted a few years ago that would allow the state, if it so desired, to impose a fee on public authorities. They ended up working the percentages until they arrived at a figure that would help them recover \$5 million. The tax is on all gross receipts including pass through funds and loans that many IDAs manage. Mr. Foels stated that Allegany County's bill is \$15,000, and we will not be able to put as much money back on the street. Mr. Margeson asked if there are any sanctions built into the law if an IDA refuses to pay the bill, and Mr. Foels stated that there is the assumption that if an IDA reaches a certain point of delinquency, it would inhibit their ability to do certain things. Many IDAs will now take measures to reduce their gross revenues. Those present talked about possible options, noting that any pilot program payments would have to be renegotiated. Mr. Foels briefly talked about how the IDA is completely transparent. The possibility of sending a letter or resolution against these new charges was briefly discussed. Legislator Hopkins stated that the Allegany County IDA has to adhere to the same requirements as the port authority, and he believes that there should be less stringent requirements for smaller IDAs.

Economic Development

Legislator Fred Sinclair stated that he attended some interesting sessions on economic development issues at the NYSAC Conference. One session was called Building an Agenda for Economic Development, and the other one was called Creating Economic Hubs. New York State enters a recession one year after the nation does, and it stays in it twice as long. Fortunately the degree of decline appears to be slowing. We have to grow out of the recession – you don't spend or tax your way out of it. You have to grow out of a recession with development of business and setting an agenda for economic development. Nationally as a state we were ranked quite low on the quality of our workforce, and we are seen as the most highly unionized; however, this is not the case in Western New York. At the same time, nationally we are ranked one and two in innovation and support for emerging business. Our pluses include higher educational institutions, quality of life and lower cost of living so we have a lot of good things going for us. Legislator Sinclair stated that Genesee County is developing 200 acres specifically to market agri-business. In Allegany County, we want to drill for oil and gas, but are we training any of our people to work on those sites? Are we getting ready for that boom? We do not want to rely on others that will be taking the money back out of the community. We have to earn the trust of industry by making good decisions at the Legislative level. We need to make people feel that they can do business here and fight for a change in the economic climate. Legislator Sinclair touched on creating economic hubs which focused on developing strong community hubs. We need to develop the surrounding areas and create hubs of activity and grow out from there.

OPEN DISCUSSION:

Real Property Taxes

Legislator Donald Cady stated that a woman from Scio contacted him regarding a bill that the Governor signed regarding granting tax exemptions for persons with disabilities. Legislator Fanton stated that he believes he spoke with the same woman, and he directed her to Real Property Tax Director Steven Presutti about four or five months ago. Legislator Cady stated that every time an exemption is made, someone else has to pay more.

Legislator Timothy O'Grady asked if the County could do an RFP for a bid price for assessments so that towns can capitalize on a cheaper price for assessments for revaluations. Towns all pay different prices per parcel, and it would be nice to have one standard unit that towns could tap into. Mr. Margeson stated that it seems like that could be done, and it warrants investigation. County Treasurer Terri Ross stated that they have an Assessor's Association that meets once a month, and Mr. Presutti could also check and see what other counties are doing. It was noted that some towns have already teamed up. Committee members agreed to refer the matter to Real Property Tax Director Steven Presutti. Legislator Pullen stated that there are almost 100 exemptions, and any time you give one exemption, you shift the burden to others. You get to the point where there is not enough money to go around. Ms. Ross noted that all exemptions are listed in the back of the budget. **Refer to Real Property Tax Director Steven Presutti**

Possible Goals for 2010

Legislator David Pullen distributed a summary of some goals he thought the Legislators might want to discuss as follows: *(A copy of Legislator Pullen's summary along with additional information on each category is attached to the original minutes.)*

1. Reduce Real Property Tax Rate.
2. Reduce Sales Tax Rate to 8 percent.
3. Obtain Approval from the State Comptroller's Office and Other State Agencies for Water and Sewer Districts at the Crossroads Area.
4. Install Street Lights at One or More of the Interstate Exits Serving Allegany County.
5. Settle Open Labor Contracts with at Least Three Labor Unions.
6. Establish a Consistent, Reasonable, and Fair Salary System for our Department Heads and Senior Managers.

7. Long Range Bridge Repair and Replacement Program.
8. Develop Technology Policy that will Assure Residents and Businesses Full Access and Safe Communications Options in Coming Decades.
9. Consider Raising Legislator Salaries.
10. Economic Development Emphasis.

Real Property Tax Rate/Sale Tax Rate

Legislator Pullen stated that if we have a \$9 million fund balance, and 2009 results in additional fund balance, we need to look at our property tax and sales tax rates. Those present discussed the idea of reducing the real property tax rate and the sales tax rate. Most indicated that they would rather have a reduction in the real property tax rate than sales tax. Some of the reasons given included that everyone contributes to sales tax whether they live here or not, we have very little business in Allegany County that competes with neighboring counties, and people can make a decision to buy less if they want to reduce their costs. Chairman Crandall cautioned that a previous Board used the fund balance to reduce the property tax for a number of years, and that was how we ended up in the financial position that we were in five years ago. Since that time, we've made some very hard decisions which included increasing the sales tax. We've had more accurate budgets, and we now have a fund balance. Chairman Crandall stated that he would rather see a way to expand the tax base that would help everyone, and he would be very reluctant to use the fund balance to reduce property taxes or the sales tax rate at this time. Legislator Dwight Fanton stated that he agrees with the Chairman, noting that our retirement bill will be one third higher, we will have bond payments to meet on the addition to the Courthouse, and with the increase in our local jail population we may see less revenue from housing inmates. We need to have enough in fund balance to cover a rainy day. Legislator Pullen said he is in favor of keeping a fund balance, but he would like to find a middle ground that could benefit our citizens. Legislator Pullen noted that if we gave a 2 percent decrease, perhaps we could still experience an increase in our fund balance. Mr. Foels confirmed that he does not have any data or evidence that would support the idea that our sales tax rate may be hurting our local businesses from competing with neighboring counties.

Legislator Frederick Sinclair suggested that a portion of fund balance should be invested, and the best place to invest is in sites that will support industry coming in that ultimately will ease the pain on the tax base. We should invest in permanent ready sites, and Legislator Sinclair noted some of the progress that has been made on County Road 20. We want to become business friendly, and we should continue to invest a small portion on a regular basis. Legislator Sinclair stated that he is a big proponent of developing pots of money that will support economic growth and moving forward in that vain. We need to invest the money wisely and target where we are going. We need to get sites ready for businesses, and get the infrastructure going to Crossroads. We need to also pay more attention to working with communities and supporting downtown revitalization. A good looking community creates security which creates prosperity. We need to invest a portion of our money in growth on a consistent basis.

Legislator Dwight Fanton stated that we have to invest in our infrastructure, and we have County and town bridges that need to be replaced. We are behind schedule with our bridge replacements, and we need to keep our infrastructure up. Legislator Fanton stated that he will plan to have DPW staff give a presentation on the bridges in the near future. Legislator Sinclair stated that he would support 25 cents for every dollar going toward roads and bridges, and taking 3 cents on every dollar and putting it toward the future. Mr. Foels briefly talked about the need to invest a little more in development and infrastructure. We will come out of this recession, and we need to continue to plan and invest in the future.

Legislator Theodore Hopkins stated that we used some of our fund balance (about \$500,000) to balance the budget last year, and we also did another bridge with money from fund balance. We need to see how we come out this year. Legislator Pullen stated it is appropriate to have some cushion in the budget, but we also have to grow our way out of the recession, and we need to

develop ways to do that. How do we break the gridlock we are in? Is there any law keeping us from using our own money for putting water and sewer in? Mr. Margeson confirmed that if we use our own money, we do not need approval from the Comptroller's Office. Some areas of the County may not want us to invest all of our money at Crossroads; however, growth is not going to take place in some areas, and we need to develop the areas that have potential for growth.

Chairman Crandall stated that everyone appears to be on the same page. We know we need to improve infrastructure, and a permanent solution is to grow our tax base. We need to continue closely monitoring our budget and stabilize our financial position. We need to control taxes with either a reduction or low increase. We are doing a lot of these things, and we do not want our fund balance to slip through our fingers or disappear from making unwise decisions. We need to develop and firm up some of these things that are being worked on. Legislators briefly discussed what a healthy fund balance should be, and it was noted that 10 percent of appropriations seems to be a good figure. There was a brief discussion on the tobacco money, and how it was going to be placed in a tax stabilization fund.

Lighting at Interstate Exits

Legislator Pullen stated that Highway Law Section 328 authorizes counties to pass resolutions stating that a county will pay for lighting along public highways, noting that many motorists will not get off an exit that is not well lit. Legislator Donald Cady stated that there has to be something to get off for before we need lighting; the lights need to come after the growth.

Moving Forward

Chairman Crandall stated that the idea was to prioritize projects and things that the Legislature wants to work on and accomplish. We need to take this conversation a notch further and formulate it into what we want to do over the next four years. Where will we be 3.5 years from now? The tone of the Board will change 3.5 years from now; election time is a difficult time to work on things. We need to quickly move in a good direction and work together.

Legislator Dwight "Mike" Healy stated that the sooner we get water and sewer to Crossroads, the sooner we will see results. Those results will be a big employer of entry level jobs which will also result in increased sales tax.

Communication and Technology

Legislator Pullen read an excerpt from a law journal wherein AT&T suggested that it was time to transition away from plain old telephone services (POTS). In favor of network based telephone, death of landlines is a matter of when, not if. AT&T is correct in its assertion that people are migrating away from POTS lines, but it's a lifeline to some. In many rural areas, wireless service is spotty at best. Legislator Pullen referred to some of the work that the Communications and Technology Ad Hoc Committee is doing, noting that we are not just facing an issue of getting service, but retaining what we currently have. Even for communities that will be receiving stimulus funding, implementation could be years away. How many times have we seen different technology services no longer supported? If a major carrier is saying they do not want to do landlines, what are we going to do about that?

Legislator Fanton stated that with the new Phase 3 system, it's using up the capacity of systems that are available. The more uses they have for I-phones and blackberries, the more air space they are using, and it ties everything up.

Relocation of DPW Administrative Offices

Legislator Timothy O'Grady commented that we need to invest in infrastructure, and that is one of the reasons he voted against Public Works' proposal to put office space estimated to cost \$350,000 out at the Landfill.

Legislator Douglas Burdick stated that he is not opposed to the DPW Administrative Offices moving out of the County Office Building, but he wonders if the Landfill is the best place. Legislator Burdick asked about the facilities in Friendship and Public Works Committee Chairman Dwight Fanton stated that the tour will show the County's different buildings, and he does not believe that the facilities in Friendship would work out well, noting that the Friendship Shop is over 100 years old. Chairman Crandall asked if there were advantages to locating the offices out by the Landfill as opposed to somewhere else. Legislator Fanton indicated that there will be methane gas from the landfill, and even if we can't sell it for carbon credits, it's close enough where we could use the gas for a utility for generating electricity. Once we get the wells in on the cells that will be capped, we will have a better idea of what the flow will be. At one time, Hyland had talked about piping our gas over to them, but they have their facility up for sale now.

Assessments and Department Head Development

Legislator Hopkins stated that we had an outside assessment completed on the Health Department by Altreya, and there are probably other areas where this should be done.

We also need to look at how we can help our Department Heads and Mid-Management to develop and become better managers. We should look at what others are doing and the success they have experienced. Legislator Hopkins mentioned some non-governmental type of training such as Six Sigma, and stated that we need to encourage our Department Heads to get more training to make them better, more efficient and productive managers.

Legislator Hopkins stated that we also need to look at a County-wide sewer and water authority.

Future Meetings

Chairman Crandall asked Legislators how they would like to move forward. The Chairman suggested creating a prioritized approach, noting that he could hold something similar to what was done at Coslos several years ago. Chairman Crandall talked about the need to cultivate a short-term plan, and asked Legislators, to contact him with their thoughts and ideas.

Legislator Pullen stated that the Board needs to be able to anticipate and get a head start on issues so that we are not just reacting to every issue that comes up. The Board needs to make plans to move forward and find solutions to the issues we face.

Legislator Sinclair suggested having the committees spend more time on strategy, and then come back to a Committee of the Whole forum so that different ideas can be discussed.

It was noted that Mr. Margeson is in the process of interviewing for a Planner.

Adjournment

A motion was made by Legislator Sinclair, seconded by Legislator Fanton and carried to adjourn the meeting at 9:05 p.m.

Respectfully submitted,
Brenda Rigby Riehle, Clerk of the Board

**ALLEGANY COUNTY BOARD OF LEGISLATORS
COMMITTEE OF THE WHOLE**

June 15, 2010

**** APPROVED ****

Legislators Present

D. Burdick, D. Cady, C. Crandall, P. Curran, D. Fanton, M. Healy, T. Hopkins, K. LaForge, A. McGraw, D. Pullen, F. Sinclair, N. Ungermann (*Absent: G. Benson, T. O'Grady, D. Russo*)

Others Present

M. Alger, K. Dirlam, J. Foels, J. Margeson, T. Miner, B. Riehle, T. Ross

Media Present

D. Roorbach – Olean Times Herald

Chairman's Opening Statement

Chairman Curtis W. Crandall called the meeting to order at 6:36 p.m. and led the group in the Pledge of Allegiance. Chairman Crandall stated that he called the meeting to discuss the County's financial position, and that this meeting is different from any meetings held in the past because we are in a better place financially than we have been in the past with our fund balance at its highest point in recent history. Chairman Crandall stated that we will have conversations on how we should maintain and use that fund balance. This meeting shows the responsibility of this Board, and we need to act upon that. We are not in a position to put our feet up or not concern ourselves with past issues. Unfunded mandates from New York State, cash flow issues, retirement contributions, and our weekly share of Medicaid costs put us in an unfavorable financial position in the past, and we do not want to end up there again. This meeting will deal with our financial position and what we can do to responsibly deal with it and move forward.

Report on Previous Allegany County Budgets

County Administrator/Budget Officer John Margeson stated that for the last seven or eight years the County Treasurer and he have been providing legislators with a report regarding the County's financial position at the end of our fiscal year which ends December 31. A lot of administrative work needs to take place in the Treasurer's Office after the fiscal year ends before we can figure our bottom line and determine how we actually fared. Once Allegany County has a bottom line, our books must be audited. Mr. Margeson stated that the basis of tonight's meeting is to report how Allegany County did at the end of fiscal year 2009.

Mr. Margeson thanked County Treasurer Terri Ross and Deputy County Administrator Mitchell Alger for their assistance in preparing the PowerPoint presentation for tonight's meeting. Mr. Margeson referred to the PowerPoint presentation (*attached to original minutes*) and provided a brief history of Allegany County's past financial condition along with a summary of our current financial condition.

In 2001, Allegany County finished the year with a deficit of \$254,000 and had an unreserved fund balance of \$1,517,000. By the end of 2002, things had worsened considerably and Allegany County ended the year with an operating deficit of \$6,733,000 and our unreserved fund balance had dropped to (\$2,925,946). In 2003, although things had improved, Allegany County still ended the year with a deficit of \$2,276,000, and our unreserved fund balance fell to (\$3,846,043). Mr. Margeson stated that in 2000 and 2001 there was a recession brought on by a .com bubble, and that coupled with the events of September 11 participated in these deficits. From 2004 going forward our situation has improved. By the end of 2008, we had an unreserved fund balance of \$9,309,000. In 2010 we used \$700,000 of our unappropriated unreserved fund balance to balance

our operating budget and lower taxes. Also in 2010, we used \$1.3 million to pay off a bond anticipation note.

Mr. Margeson then referred to a table showing a 21-year history of property tax rates and changes in those rates and levies. Mr. Margeson noted that in 1990, the percentage of change in the tax levy was 7.62 percent, but there was a \$14 decrease in the tax rate per thousand of assessed value because \$2.8 million was taken from unappropriated unreserved fund balance to keep taxes down. Allegany County's tax rate went down for 12 years in a row even though the tax levy increased every year but one because the Board decided to take money from the unappropriated unreserved fund balance and apply it to the operating budget as a revenue to keep taxes down. In 2003, the fund balance became depleted. In 2004, we were hit hard with unexpected and high expenses from the retirement system, child health plus, Medicaid costs, and health care for our own employees. In 2004, we passed along a tax increase of 22.47 percent (\$2.42 increase in tax rate). The Legislature decided they needed to take drastic action to get back in the black, and this is when we increased our sales tax rate to 4.5 percent which resulted in approximately \$1.8 million in revenue.

2009 Year-End Fiscal Presentation

The 2009 County operating budget called for \$82.06 million and we spent \$84.61 million. The revenues were budgeted at \$82.06 million, and we received \$90.03 million resulting in an overall surplus of \$5.4 million at the end of 2009. This increased our unreserved fund balance to \$12.71 million.

Spending exceeded the 2009 Budget in the following areas:

- Food Stamp Cash Out (\$3,171,259)
- State Fuel Crisis (HEAP) (\$3,110,505)
- Health – Nurses (\$ 269,603)
- Medical Assistance (\$ 240,265)

Mr. Margeson noted that no local dollar contributions were used for the Food Stamp Cash Out or State Fuel Crisis expenses because they were reimbursed at 100 percent. The overage for the Health – Nurses category occurred because there was a delay in the NYS Department of Health, and our CHHA (Certified Home Health Agency) license did not get transferred to the company that purchased it until mid-2009, and we continued to provide some services until the transfer was final. Under the Medical Assistance category, we pay for Medicaid on a weekly basis, and we budgeted with the assumption that we would make 52 payments, but we actually made 53 because of the way the calendar fell.

Spending was less than the 2009 Budget in the following areas:

- Special Education PHC \$ 510,218
- Aid to Dependent Children \$ 496,379
- Child Care \$ 433,692
- Risk Retention (Insurance) \$ 233,500

Revenues exceeded the 2009 Budget in the following areas:

- DSS FMAP (ARRA Stimulus) \$1,753,068
- Refund Prior Year – DSS Medicaid \$ 764,135
- Child Care \$ 425,967

Mr. Margeson indicated that we did not budget anything for the DSS FMAP because we had no idea what the number would be. It is also impossible to predict what the Refund Prior Year – DSS Medicaid line item will be on an annual basis. Ms. Ross indicated that there was an equal reduction in expense for the Child Care item.

Mr. Margeson showed a pie chart summarizing how the \$84.6 million in expenses was spent in 2009:

• Social Services	\$38,227,754	45.18 percent
• Public Works	\$10,229,134	12.09 percent
• Employee Benefits	\$ 8,514,568	10.06 percent
• Miscellaneous	\$ 7,917,974	9.36 percent
• Sheriff/Jail	\$ 6,819,150	8.06 percent
• Health Department	\$ 4,491,409	5.31 percent
• General Government	\$ 3,298,201	3.90 percent
• Debt Service	\$ 2,515,550	2.97 percent
• Mental Health	\$ 2,605,037	3.08 percent

Mr. Margeson also showed a pie chart summarizing where the \$90 million in revenues was derived in 2009:

• Real Property Tax	\$25,019,762	27.79 percent
• Federal Aid	\$22,177,374	24.63 percent
• Sales Tax	\$17,067,776	18.96 percent
• State Aid	\$11,787,754	13.09 percent
• Miscellaneous-Other Revenue	\$ 6,794,777	7.55 percent
• Departmental Income	\$ 4,901,190	5.44 percent
• Housing/Transport Inmates	\$ 2,286,563	2.54 percent

Questions & Comments Regarding Budget Presentation

Legislator Norman Ungermann asked what year the County received money for selling the nursing services. County Treasurer Terri Ross stated that the \$750,000 sale was booked in 2009; however, payments will actually be received over three years.

Legislator Ungermann stated that expenditures have gone up \$20 million since 2001 so we ought to have some reserve. The tax levy has gone up approximately 75 percent, and the tax rate is up almost 50 percent over what it was in 2001. We collected a lot more money from the taxpayer, and there are a lot of disgruntled taxpayers who say enough is enough. Mr. Ungermann stated that we have the reputation of being the highest taxed county compared to assessed valuations in the country, and it's nothing to be proud of. It all looks rosy, but there have been some huge increases that have hit the taxpayer awfully hard. Mr. Margeson stated that the tax rate went down for 12 years in a row, and you cannot do that without some type of backlash.

Budget Committee Chairman Theodore Hopkins stated if we had held our tax rate the same, we would actually be at \$38 per \$1,000 of assessed value, which is higher than we are now. Legislator Hopkins stated that it would be interesting to see what certain programs actually cost the taxpayer, and Mr. Margeson indicated that something could be put together. Legislator Dwight Fanton mentioned the increases in certain programs such as Medicaid and the retirement bill that we do not have any control over. Legislator Donald Cady mentioned that he believes some of the disparity between the tax rate and tax levy is due to the revaluations.

Mr. Margeson stated that one of the reasons the Chairman called the meeting was to develop a strategic plan for the use and maintenance of our fund balance. Mr. Margeson stated it would be wise for this Board to talk about ways in which we can prepare a strategic plan for the potential use and improvement of the fund balance. How much fund balance is enough?

Financing of Courthouse Project

Mr. Margeson introduced the County's financial advisor, Jeff Smith, President of Municipal Solutions. Mr. Smith congratulated Mr. Margeson, Ms. Ross, and Mr. Miner on marketing bonds for

the Courthouse Project. Mr. Smith stated if you can get yourself in better financial condition, money will follow money. The Courthouse Project was very controversial, and we wracked our brains on how to finance the project at the least cost to the County. We investigated various options. We heard about a county bond pool which used some of the stimulus program on a pool basis for counties across the state. We watched as that program evolved, and things worked out perfectly for Allegany County to go this route. Mr. Smith read the following statement: *"On May 14, 2010, Allegany County issued \$13,715,000 Local ARRA Bonds through the New York Municipal Bond Bank Agency (MBBA). The issuance of its Bonds through MBBA allowed the County to take advantage of interest saving debt vehicles provided through the American Recovery and Reinvestment Act (ARRA). Of the \$13,715,000 Bonds issued, \$3,055,000 were issued as tax-exempt bonds, \$8,980,000 were issued as taxable Build America Bonds (BABs), and \$1,680,000 were issued as taxable Recovery Zone Economic Development Bonds (RZEDBs) in the amount of the County's allocation. In issuing BABs, the County receives a 35 percent interest subsidy from the federal government. In issuing RZEDBs, the County receives a 45 percent interest subsidy. The issuance of tax-exempts, BABs and RZEDBs were optimized on a maturity-by-maturity basis. When compared to the issuance of 100 percent tax-exempt bonds issued competitively, it is estimated that the County received a net present value benefit of \$804,911. The all inclusive cost of borrowing through MBBA was 3.99 percent versus an estimated 4.52 percent for issuing through 100 percent tax-exempt competitive means."* Mr. Smith indicated that Allegany County was able to borrow at a much better rate than he first anticipated, and the deal has just been finalized. Mr. Smith again commended the work of Mr. Margeson, Ms. Ross, and Mr. Miner.

Financial Ratings

Mr. Smith stated that because of the County's past financial position, he thought we may have to buy bond insurance which would have cost about \$65,000, plus the County would have to pledge as backup security our federal and state receivables. Mr. Smith indicated in previous years, Allegany County was one of the few counties that were required to get a letter of support or credit in order to close a bond anticipation note. Ms. Ross and Mr. Margeson prepared the financial analysis for the rating agencies, and the rating was an A+ from Standard and Poor's which represents a jump in three categories from our previous rating. We also had a Moody's presentation, and we are now rated an A-2, which is also a jump of three categories. These new ratings are a direct result of the Board's efforts to bring the County back into good financial standing. In spite of being subject to the State of New York, and Mr. Smith stated that the County has been able to manage and manage well.

Now that Allegany County is in a better financial position, how do we maintain that level and improve it. Allegany County's A+ rating and stable outlook reflects the County's good overall financial position with operating surplus for five consecutive audited fiscal years, a stable property tax base, and diverse revenue base. Offsetting these positive factors are the County's limited local economy and below average wealth and income standings. The local economy is limited and largely comprised of services. It is very important for the County to maintain frugal fiscal practices moving forward. One of Allegany County's biggest problems is our heavy reliance on single family homes and farms, and the lack of a commercial and industrial tax base. Mr. Smith remarked that a commercial and industrial tax base does not send anyone to our schools yet they pay huge taxes.

Financial Planning

Mr. Smith talked about five-year planning and budgeting. Mr. Smith stated that we will also need to determine how the health care bill will impact future budgets.

Mr. Smith suggested using our fund balance for tax stabilization, economic development, and a strategic investment in infrastructure. Mr. Smith talked about the importance of letting Senator Schumer know the needs of Allegany County. We may be able to use some of our money to leverage additional money from the federal government. We have to learn how to get spin on the

dollar – where we spend a dollar to get \$1.50, \$2 or \$3 in return. We need to look at opportunities. If Allegany County can get some of the preliminary work done, we will be ready to act when something comes our way.

Chairman Crandall stated that Allegany County is in a position we have never been in before, and we want to maintain our good financial position. The Chairman noted that the cap on Medicaid, FMAP, planning ahead, conservation measures, and selling our CHHA have all contributed to where we are at today. Those present briefly discussed the contingency and tax stabilization fund which was created back in 2000 when we received tobacco settlement money. The fund was created as a financial resource to be used to prevent an increase in the real property tax rate of greater than 5 percent in any given fiscal year.

Mr. Smith suggested that a fund balance should be a minimum of 10 percent with a goal of 20 percent of total operating appropriations minus debt service. Mr. Smith stated that when you do long-range planning, you set goals and strive, and once you start visualizing, you start actualizing. Legislator Hopkins stated that 20 percent is a noble place to go, but we have to look at investing money to make more revenue. We want to maintain our current bond rating, and also be able to invest some money so we are not counting on property owners to pay the way. We have to look at investing because we will not get to 20 percent unless we have money coming in from places other than property tax. Legislator Donald Cady remarked on how hard small businesses have to work to just pay property taxes.

Legislator Donald Cady also expressed concern about budgeting for union contracts. Ms. Ross stated that a liability is booked so that if contracts are settled the County will be able to meet its obligations.

Chairman Crandall stated that Mr. Smith talked about leveraging dollars for infrastructure and economic development, and he wonders if there is a good systematic way of leveraging funds for projects or investments. Mr. Smith stated that capital budgeting is a good way to start. Mr. Smith suggested getting together and identifying what is out there and what Allegany County's priorities are. Mr. Smith stated the County should talk to towns, villages, and citizens to see what they think their needs are too. Scan the environment and put priorities on what the needs are, and see if there are any programs available that could fund these projects. You need to know what you want to ask for. Mr. Smith also suggested watching and learning what is happening in the federal arena for new programs and dollars. Work as a group, get consensus and work the angles. Planning and Economic Development Chairman Frederick Sinclair asked what types of structures Mr. Smith sees in counties to go after these goals. Mr. Smith stated that he sees lots of committees that are focused on individual projects and a county manager or chairman will set up a schedule with deadlines. Quite often it is incorporated as a pre-budgeting process.

Chairman Crandall asked if there is a reasonable formula or thought behind what kinds of reserves, or monies should be kept. Mr. Smith indicated that adequate reserves should be established for the nuts and bolts reserves like compensated absences and retirement costs. The economic development reserves are more of a consensus and working with your local communities. Mr. Smith stated that the Board as a group must come up with goals that can be focused on. Mr. Smith recommended using any available resources that can be mustered stating that the County should look for partners and linkages. Sometimes towns can pitch in, and inter-municipal cooperation agreements sometimes work.

County Treasurer Terri Ross talked about putting money in a capital account for specific projects and then building on it. There is currently a capital account for Crossroads, but other projects can be established. There was a brief discussion on how capital and reserve accounts are established and the limitations and flexibility different types of accounts offer.

Legislator Pullen expressed concern about the likelihood of a surplus going forward because some of our revenues were one-time, non-recurring, and we will be facing some increases in other areas like pension costs and health reform costs as well as sudden turnarounds that we have not anticipated. County Administrator/Budget Officer John Margeson cautiously predicts that we will have a budget surplus in 2010 based on what we are seeing half way through the year. There was a brief discussion on the uncertainty of the state budget. Mr. Smith indicated that he could convert our 1989 dollars to current-year dollars so that a more accurate comparison can be made between the two years. Mr. Smith stated that taxes are going up too much – it's New York State, and it's very frustrating. The real property tax burdens that local governments put on the taxpayers are many times a direct result of the New York State budgets and mandates. If we benchmark NYS with other states in the nation, it's not good, but it's not all bad either, and we need to not be so hard on ourselves. Mr. Smith said to get ready for when the rest of America "loses its water." Allegany County has to have infrastructure ready and change the way we think and manage. New York State is in the business of transferring wealth, whereas some states are in the business of creating wealth. They are investing their money for spin. They invest tax dollars in infrastructure, education, and good government; here we redistribute income, and that says a lot.

Legislator Pullen stated that our taxes are way too high, and everyone agrees, but what do we do about it? Legislator Hopkins brought up that we are now paying for things as we go. Money was never actually placed in the tax stabilization fund that was created back in 2000 because things came up and we always had to use that money, but now we are in a place where we may be able to put a little away. Legislator Cady commented that keeping things paid up and staying out of debt is crucial to remaining in good financial standing. Mr. Smith said to maintain our current bond rating, we should probably have 8 to 10 percent in reserve, but they are looking at some things a little differently now. Management is what makes the difference, and as long as Allegany County continues the trends of positive movement, we should remain in good standing and protect our bond rating. The focus is now more on things like how often we report our financial condition, if we have a fund balance policy, if we have a capital plan, if we have a five-year budget. Ms. Ross stated that it is very rewarding to see the improvements and huge changes that Allegany County has accomplished. Spending money for a specific reason that results in economic development or infrastructure according to a plan is an investment and shows responsible management. Having a comprehensive plan has also proven to be a huge benefit. A zero tax rate increase is usually not realistic and can often be looked at unfavorably. Financial raters will look to see what you are using to balance the budget especially if you are just using fund balance and not cutting expenses. When you have to use some of your reserves or fund balance, there needs to be a plan for returning the money.

Legislator Healy indicated that he would like to see us hold our increases below the national average of what costs are. Legislator Fanton commented that with Medicaid and retirement costs, to realistically think you can keep the levy below CPI would require layoffs. Legislator Cady commented that if you have money in reserves, you do not need to be as concerned about a favorable rating to borrow.

Development

Mr. Smith encouraged the Board to get some things done at Crossroads. A truck stop is like a godsend; revenues that come in from field tax are phenomenal. Allegany County needs to pound water and sewer out so that we have the potential of bringing someone in. Mr. Smith stated that the Crossroads Project may be one of our most valuable pieces. Legislator Healy stated that the Crossroads Project has a lot of potential, and most of that business will come right off of I-86 which doesn't come out of the pockets of Allegany County. Legislator Healy stated that he believes the Crossroads Project is so important because of the potential for increasing the tax base and generating more sales tax. There was a brief discussion about putting water in first as businesses can start with onsite sewer systems.

Chairman Crandall stated that a list was established when we were looking for projects for stimulus funding. County Planner Kier Dirlam stated that he is working on the project list the County put together last year along with a list that STW has been using and combining it all to tie it in with the Comprehensive Plan.

Legislator David Pullen stated that less than 19 percent of Allegany County's revenue comes from sales tax, and in some counties, 50 percent of their revenue comes from sales tax. If we generate more sales tax, real estate taxes will go down. We need something where our citizens will spend their money locally or coming down the highway – something that will generate revenue. Mr. Smith suggested getting together with Steve Hoover and Joe Sartori from Chemung County as they have been doing a tremendous job, and they are willing to share information and ideas.

Highway Infrastructure and Bridge Program

Legislator David Pullen stated that under the County's Bridge Program, it costs approximately \$400,000 for each bridge that needs to be replaced. The average useful life of a bridge is approximately 40 years. To keep up, we need to do about eight bridges a year, and we have not been keeping up with that. We should be budgeting approximately \$3.2 million every year to keep up with our bridges. This is going to catch up with us and bite us. We need to restructure and look at some things. If we are going to be putting something in to help local communities, it is not inappropriate to ask local communities to also increase their commitments.

Legislator Sinclair stated that there may be programs down the pike that we should be ready for, so it could be very important to have our bridges prepped and ready to go so that we could compete for federal programs if they become available. Perhaps we may be able to make up some of the projects that have been neglected. This makes sense and would be a good solid investment. Legislator Fanton stated that he certainly thinks it's a good idea to talk with the Highway Association. We must also look at the usage of bridges and how many people they are serving.

New York State Mandates

Legislator Fanton stated that the state mandates were never made public so that people realized the increases we were faced with. Those mandates should be made public so people know where the real problems are. Legislator Cady indicated that when we begin developing the 2011 budget, the public may insist we take money from our fund balance to lower taxes, but if we have the funding of reserves marked for different things, it will be easier to justify.

Federal Highways

Legislator Pullen stated that we do not have roads that are eligible for federal funding, and we cannot even afford to design the roads according to federal regulations let alone build them. To qualify for funding, you usually have to have a federally qualified road. No town or village roads would qualify. How can we get ourselves on those lists? Mr. Smith stated that Allegany County needs to develop a capital plan and make contacts with regional DOT offices to get on those lists. After you have identified your goals, you talk to congressmen and ask them to set up a meeting with the highway administration so that they can get our roads on those lists. Counties that got on those lists were making plans four and five years in advance. Strategic planning is what needs to be done.

NYS DEC Public Hearing on Wood Burning Furnaces

Kier Dirlam reminded Legislators that the Department of Environmental Conservation will be conducting a hearing on Wednesday, June 16, in the Legislative Board Chambers regarding new regulations for outdoor wood burning furnaces. There will be an informational session from 5 to 6 p.m., and the public comment period will be from 6 to 8 p.m.

Future Meetings

Chairman Crandall summarized that in talking about capital project budgeting, we need to also talk about economic development. Part of this is already being worked on, and it just needs to

be firmed up and put in presentable form. We need to identify projects and prioritize, establish funds for projects, and identify the impact of projects. On the infrastructure side, our Public Works Department already has a list. For tax stabilization, we need to set goals and look at three and five years out. We can do some projections, and see how we want to fund things. Committees can start to gel some things up and bring them back for further discussion.

Adjournment

A motion was made by Legislator Fanton, seconded by Legislator Burdick, and carried to adjourn the meeting at 9:07 p.m.

Respectfully submitted,

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

**ALLEGANY COUNTY BOARD OF LEGISLATORS
COMMITTEE OF THE WHOLE**

July 12, 2010

**** NOT APPROVED ****

Legislators Present

G. Benson, D. Burdick, D. Cady, C. Crandall, D. Fanton, M. Healy, K. LaForge, T. O'Grady, D. Pullen, F. Sinclair, N. Ungermann (*Absent: P. Curran, T. Hopkins, A. McGraw, D. Russo*)

Others Present

J. Margeson, T. Miner, B. Riehle, E. Ruckle

Chairman Curtis W. Crandall called the meeting to order at 11 a.m., noting that the meeting was called to discuss collective negotiations.

Executive Session

A motion was made by Legislator Pullen, seconded by Legislator Ungermann and carried to enter into executive session to discuss collective negotiations pursuant to article fourteen of the civil service law. Immediately following discussion at approximately 12:10 p.m., a motion was made by Legislator Sinclair, seconded by Legislator Fanton and carried to end the executive session and return to the regular meeting.

Attorney/Client Session

A motion was made by Legislator Pullen, seconded by Legislator Fanton and carried to enter into attorney/client session. Immediately following discussion at approximately 12:55 p.m., a motion was made by Legislator Fanton, seconded by Legislator Cady and carried to end the attorney/client session and return to the regular meeting.

Adjournment

A motion was made by Legislator Fanton, seconded by Legislator Pullen and carried to adjourn the meeting at 1:55 p.m.

Respectfully submitted,
Brenda Rigby Riehle, Clerk of the Board

**ALLEGANY COUNTY BOARD OF LEGISLATORS
COMMITTEE OF THE WHOLE
August 9, 2010**

**** APPROVED ****

Legislators Present: G. Benson, D. Burdick, D. Cady, C. Crandall, P. Curran, D. Fanton, M. Healy, K. LaForge, A. McGraw, T. O'Grady, D. Pullen, F. Sinclair, N. Ungermann (*Absent: T. Hopkins, D. Russo*)

Call to Order: Chairman Crandall called the Committee of the Whole meeting to order at 2:43 p.m. for the purpose of reviewing the County's Budget process.

County Administrator/Budget Officer John Margeson distributed copies of the official timeline for the 2011 County Budget, the same information that was handed out to department heads when County Treasurer/Deputy Budget Officer Terri Ross and he met with them during the third week of June. At that meeting, which is the beginning of the Budget process, department heads were given forms to complete and return to John. The meeting provided an opportunity to give instruction on how to complete the forms and what the Legislature is looking for in departmental budget submissions. Mr. Margeson gave the same message that he's given for the past few years: "Hold the line." Department Heads are given four weeks to complete the forms. These legal-sized forms, referred to as "white sheets," include every line item in their appropriation and revenue accounts, and will be completed with their requests for the year. Mr. Margeson reviews them, and as Budget Officer, is authorized to make recommendations on the requests on both appropriations and revenues. This process takes about six weeks, and is done in conjunction with the Deputy Budget Officer, and this year, also with the Deputy County Administrator Mitch Alger. After that review, everything is presented to the Budget Committee.

At this point in time, Mr. Margeson has received all of the budget requests and has gone through about 80 percent and recommended changes. Budget Committee Vice Chairman Dwight Fanton has scheduled August 30 and 31 to begin Committee review. Department Heads will come before the Committee to present their requests. That leaves the month of September to come up with the Tentative Budget, which is a legal document that sets up all the accounts for 2011. Mr. Margeson releases that at the end of September. The Committee of the Whole will meet two or three times to discuss it and has the opportunity to make motions to offer amendments to that Tentative Budget. The month of October is set aside for that. Once the Committee of the Whole has gone through the entire budget, a Public Hearing is scheduled for the second week of November. This year, the Public Hearing will be set for Wednesday, November 10, at 7 p.m. At the Board meeting following that, November 22, a resolution will be considered to adopt the Final Budget. There has been one occasion when the Board did not adopt a Final Budget at its second meeting in November, but unlike the state and federal governments, the county government is required to have a balanced budget in place by December 20. If unable to adopt a budget by December 20, the Final Budget will take the form of the Tentative Budget including any amendments that were approved.

Mr. Margeson noted a couple of areas of concern in the 2011 Budget: (1) our contribution to the state retirement system is increasing significantly, and (2) debt service will be up, due to Court Facility debt service payments beginning in 2011. Based on sales tax receipts, he is in hopes that revenues will be similar to or slightly higher than in 2010. Mr. Margeson invited anyone who is interested in the Budget process to attend the Budget Committee meetings. Once the Tentative Budget is released in September, all Legislators will have the information in front of them.

Chairman Crandall requested that schedules distributed to Department Heads at the meetings on August 30 and 31 be shared with Committee Chairs. Legislator Sinclair asked at what

point in the process special initiatives or modifications under consideration by committees should be introduced, and to whom. Mr. Margeson replied that they should be brought to him and to the Budget Committee while they are reviewing the Budget. They can then make referrals to Ways & Means for recommended changes in September.

Adjournment: A motion was made by Legislator Ungermann, seconded by Legislator Pullen and carried to adjourn the meeting at 3 p.m.

Respectfully submitted,
Adele Finnemore, Journal Clerk
Allegany County Board of Legislators

**ALLEGANY COUNTY BOARD OF LEGISLATORS
COMMITTEE OF THE WHOLE
August 23, 2010**

**** APPROVED ****

Legislators Present

G. Benson, D. Burdick, D. Cady, C. Crandall, P. Curran, M. Healy, K. LaForge, A. McGraw, T. O'Grady, D. Pullen, F. Sinclair, N. Ungermann (*Absent: D. Fanton, T. Hopkins, D. Russo*)

Others Present

M. Alger, J. Margeson, B. Riehle

Chairman Curtis Crandall called the meeting to order at 3:23 p.m.

Executive Session

A motion was made by Legislator Curran, seconded by Legislator O'Grady and carried to enter into executive session at 3:25 p.m. to discuss the employment history of employees within the Section IV Salary Plan. Immediately following discussion at approximately 4:15 p.m., a motion was made by Legislator Cady, seconded by Legislator O'Grady and carried to end the executive session and return to the regular meeting.

Adjournment

A motion was made by Legislator Cady, seconded by Legislator O'Grady, and carried to adjourn the meeting at approximately 4:15 p.m.

Respectfully submitted,

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

**ALLEGANY COUNTY BOARD OF LEGISLATORS
COMMITTEE OF THE WHOLE**

September 13, 2010

**** NOT APPROVED ****

Legislators Present

G. Benson, D. Burdick, D. Cady, C. Crandall, P. Curran, D. Fanton, M. Healy, K. LaForge, A. McGraw, T. O'Grady, D. Pullen, F. Sinclair, N. Ungermann (*Absent: T. Hopkins, D. Russo*)

Others Present

M. Alger, J. Margeson, B. Riehle

Chairman Curtis Crandall called the meeting to order at 2:50 p.m.

Executive Session

A motion was made by Legislator O'Grady, seconded by Legislator Pullen and carried to enter into executive session at 2:50 p.m. to discuss the employment history of employees within the Section IV Salary Plan. Immediately following discussion at approximately 4:10 p.m., a motion was made by Legislator Fanton, seconded by Legislator Sinclair and carried to end the executive session and return to the regular meeting.

Adjournment

A motion was made by Legislator Fanton, seconded by Legislator Cady, and carried to adjourn the meeting at approximately 4:10 p.m.

Respectfully submitted,

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

**COMMITTEE OF THE WHOLE
OCTOBER 12, 2010**

**** APPROVED ****

Members Present: Chairman C. Crandall, G. Benson, D. Burdick, D. Cady, D. Fanton, M. Healy, K. LaForge, D. Pullen, F. Sinclair, N. Ungermann; (*Absent: P. Curran, T. Hopkins, A. McGraw, T. O'Grady, D. Russo*)

Others Present: A. Finnemore, J. Margeson, T. Miner, B. Riehle, T. Ross; **Media:** D. Roorbach, Olean Times Herald

Call to Order: The meeting was called to order at 10:10 a.m. by Chairman Curtis W. Crandall for the purpose of reviewing the 2011 Tentative County Budget.

2011 Tentative County Budget Review:

County Administrator John Margeson:

Mr. Margeson distributed copies of his Budget Message, which was released October 4 (copy attached to original minutes), along with information comparing the 2011 Tentative Budget with the actual 2010 Budget:

	<u>2010 Budget</u>	<u>2011 Tentative Budget</u>	
Total Appropriations	\$111,342,718	\$123,124,164	
Total Revenues	84,203,684	95,522,081	
Amount Levied for Real Property Tax	27,139,034	27,602,083	(+1.71%)
Average County Tax Rate	\$16.92 /thous.	\$17.01 /thous.	(+0.56%)
County Taxable Assessed Value	\$1,604,163,777	\$1,622,476,722	
Amount Appropriated from Fund Balance	\$700,000	\$950,000	

Mr. Margeson noted that in 2011, for the first time in a long time, the County will be appropriating funds to repair a total of six bridges – four town bridges and two County bridges. The towns scheduled to have bridges repaired will be contributing 15 percent of the cost from their budgets. The Legislature has prided itself on the commitment of resources to maintain the County infrastructure and contribute toward the maintenance of the town infrastructure. In 2011, funds will not be borrowed for that effort as has been done in past years, but the projects will be paid for as we go; hopefully that can continue in years to come.

One area of the Budget where the County took a hard hit, as did every municipality in New York, was the contribution to the State Retirement System. There is an additional \$1.4 million in that line item for 2011, which includes both the \$600,000 estimated as the one-time payment associated with the cost of the early retirement incentive program and the additional \$800,000 contribution.

Mr. Margeson referred to information in his Budget message identifying \$7.7 million of additional appropriations in the 2011 Budget that wasn't in the 2010 Budget, but it is 100 percent offset by state and federal aid, so the revenue side of the Budget has a corresponding increase. This increase represents: (1) an accounting system change required by the state for Social Services HEAP Program expenses which didn't have to be budgeted in 2010, but have to be now, and (2) a significant increase in the Food Stamp Program budget.

Mandated Costs and State Proposed Property Tax Cap:

Chairman Crandall commented on mandated costs and a state proposed property tax cap. New York State Association of Counties (NYSAC) has put together what they call "The

County 9 for 90 Campaign – 9 Mandates Consume 90 Percent of the Property Tax Levy.” They list the “big nine mandates” that all counties face, along with the percentage they consume of the property tax levy across the state. NYSAC is addressing this issue in Albany. Chairman Crandall asked Mr. Margeson to compile figures for those mandates specific to Allegany County, including what was budgeted and the amount of state and federal aid in order to arrive at a net cost. Medicaid, by far, is number 1. Allegany County is just under \$11 million. We started at around \$9 million a few years ago when the cap was put in place, but that was a soft cap, allowing for a three percent growth each year. These mandated costs keep rising for local governments, and there can’t be a true cap on property taxes unless the mandates are addressed. The nine mandates identified by NYSAC are: Medicaid, Public Assistance/Safety Net, Child Welfare, Special Education Pre-K, Indigent Defense, Probation, Early Intervention, Retirement, and Youth Detention. Two other mandated expenses for all counties statewide are Jail and Court facilities, so Mr. Margeson included figures for those issues also. If all of those mandated costs are tallied, the net total after subtracting aid and revenue is approximately 82 percent of the Real Property Tax Levy included in the 2011 proposed Budget. Chairman Crandall will put the figures together in a format that can be more easily shared to illustrate how these mandated costs affect our local dollars, and the information will be disseminated prior to the Budget hearing. It needs to be shared with County taxpayers. The proposed property tax cap can’t happen unless these mandated costs are capped as well. Recently, when asked what the Allegany County Legislature was doing on behalf of the taxpayers to address the mandated costs, Chairman Crandall pointed out that individually we can’t do much. That’s why we’re a part of the InterCounty Association and NYSAC. They are making good headway in addressing some of these issues, especially the property tax cap. We’re not alone; all counties are facing the same issues.

Chairman Crandall noted that he would like to use the figures compiled for the mandated expenses to draft a resolution to forward to our representatives in Albany and Washington to express exactly how those mandates, not just the “big nine,” but the other issues as well, are consuming more than 80 percent of the property taxpayer’s dollar. We can talk amongst ourselves, but collectively is how it has to happen.

Comparison of Budget Information Over the Past Ten Years:

County Treasurer Terri Ross distributed copies of a historic review of specific Budget information for the years 2001 through tentative 2011 (copy attached to original minutes).

General Discussion:

Town Bridge Projects - Legislator Sinclair questioned if the towns that will share in bridge repair projects have been notified of projected costs. The reply was that they have been. The question was asked if a town would still be eligible the next year if they were not able to meet their percentage of the cost. They would be. It was noted that bridge projects are scheduled at the request of the municipalities, and some have been waiting for several years, with money budgeted. The town’s share of projects includes some cash, but a large portion is frequently in-kind services, so it’s not purely a cash impact on their budgets.

Retirement - Legislator Sinclair commented that he understood the County has to offer state retirement to new hires by law, but questioned if they have the option of not taking it. He asked if the County could offer an alternative which might be more transferable, i.e. an IRA, that a new hire might opt for, as opposed to the state retirement system, and this might save the County more money in the long term. Ms. Ross responded that only temporary part-time employees can opt out, although they do have to be offered the opportunity to participate; when employees become permanent, they have to join the retirement system. Participation and eligibility fall under Municipal Law. We have no choice. Legislator Ungermann asked what can be included in the final average salary at retirement. Ms. Ross replied that Tier 1 employees,

those hired prior to 1976, can have up to 30 days of vacation included. The County has just a few Tier 1 employees.

Low Tax Levy Increase - Chairman Crandall remarked that this is the lowest increase for any Tentative Budget he has worked on (Real Property Tax Levy increase of 1.71 percent / Average County Tax Rate increase of 0.56 percent over the 2010 Budget). Part of that is due to the overall financial position of the County and being able to draw on the fund balance to diminish spikes of high or low to level the increases as we go forward. That's not to say taxes aren't too high, which is partly due to mandated costs, but Chairman Crandall felt this was a good Tentative Budget.

HEAP and Food Stamps – Legislator Ungermann commented that even though the County is basically just a pass-through for state and federal aid for HEAP and Food Stamps, we still have to be a little outraged as taxpayers in general that a family of four with an income of \$49,000 can still qualify for HEAP assistance. He also felt that, as there's talk about eliminating sugary drinks from what can be purchased with food stamps, maybe there should be more rules. Legislator Ungermann suggested that we contact our federal representatives requesting that food stamps should be just for the basics. We have to start changing the attitudes.

Sales Tax Revenue / Fund Balance – Legislator Healy noted that in 2009, sales tax revenue was down more than \$1 million from what was received in the previous year, and asked how we stand this year. Ms. Ross replied that we're a little above what was projected, and for the past six months have been above where we were at the same time last year. Mr. Margeson pointed out that we're running at a trend of about a three percent increase over last year. We budgeted \$17.5 million for 2010, and Mr. Margeson was confident that we will probably exceed that projection by year's end. We budgeted for a modest additional \$250,000 for 2011, or 1.4 percent over the 2010 projection. Legislator Healy questioned the amount of fund balance used to offset the Budget. Mr. Margeson responded that \$950,000 has been appropriated.

Payments for the New Court Facilities Building – Legislator Healy asked if payments for the new building will begin next year. Ms. Ross replied that they would, and next year's payment will be a little higher than future payments, because we picked up the payment we should be making in November of this year (appears in the V - Debt Service Fund in the Budget). For the new building, we'll be paying \$330,000 in principal and \$1.152 million in interest for 2011. We've budgeted for revenue of \$667,000 in anticipated interest subsidy for 2011; \$347,000 of that is the amount saved in interest because we did the pooled borrowing through the ARRA financing, and \$320,000 will be interest reimbursement from the Office of Court Administration, which will continue for each successive year.

Decreases in State Aid – Legislator Pullen remarked that for the past two or three years, the state has been renegeing on payments and contributions for various programs, and he asked how that has been handled in our Budget. Mr. Margeson responded that instructions were given to Department Heads to budget for any known decreases in revenues due to state cuts when submitting their 2011 budgets, and they did. That's all we have done to this point. We didn't try to speculate on anything other than what we knew back in June when starting to put together the Budget, so we'll have to deal with additional reductions if they come to pass. Legislator Pullen noted that many Office for the Aging programs have been hit by the two to three percent reductions the state proposed. When you're most of the way through the year and have already spent the money, how do you cope with the reductions? Ms. Ross commented that the 1.1 percent FMAP reduction is hitting all of our state aid. For the most part, departments are just trying to absorb the shortfalls within their own accounts by moving around some of their local money. Chairman Crandall questioned how we're doing on the receipt of revenues that we know should be coming in. Ms. Ross noted that for regular state aid, we've

been getting payments in on a regular basis. They're just getting the second quarter claims paid, and the third quarter claims are due within 30 to 45 days, so we'll see how those come in. Cash flow hasn't been a problem so far this year.

Bus Transportation – Legislator Ungermann questioned the bus transportation revenue that offsets the \$810,000 expense. Mr. Margeson explained: \$540,000 state aid (page 47), \$80,000 federal aid (page 47), and \$80,000 local revenue from Social Services' use of the system (page 40). The difference is \$110,000 local share County tax dollars. Legislator Fanton pointed out that the local share is down from about \$360,000 two years ago. Legislator Sinclair noted that these amounts don't reflect what the cost would be to transport non-emergency Medicaid recipients to doctor appointments. There are some savings there over what we'd be paying if the system didn't exist which are not factored in. Chairman Crandall commented that the question has been asked, "If the bus transportation system didn't exist at all, would our local costs be more or less than the \$110,000?" The answer wasn't available at the time, but it was perceived to be greater than the \$110,000 that the system is costing us. Legislator Ungermann remarked that he wants to see it. We've been hearing for several years that we're going to get to the point where there's no cost to the local taxpayers, and it just hasn't happened. Mr. Margeson noted that that's the goal, and we're heading in the right direction. Legislator Fanton commented that he's still concerned with low ridership, but there are advantages. In addition to the Medicaid travel, some of our work programs utilize it, eliminating the excuse of no transportation. When that \$110,000 local share is \$0, he'll be happy, but they've tried to address our concerns, and he's pleased with what they've done so far. Ms. Ross noted that she and the Deputy County Administrator met with the Transportation Task Force several times over the past couple of months to develop a clearer picture of the costs of the bus transportation system. The budgeted revenue figures are just estimates of the aid. If ridership goes up, the STOA aid will go up, so that \$110,000 local share may come down. The estimates are good compared to what we've had in the past and should be pretty accurate. Legislator Cady pointed out that at least two drivers are County residents, so in this time of terrible unemployment, the transportation system is providing local jobs.

Legislator Pullen commented that in the beginning, funding for the transportation system was intended as a pass-through. The state changed how that worked, and we discovered we were paying \$360,000 as our local share. The state transferred that to us. As part of the social welfare program, we have to provide for medical care and also have to provide the transportation to get there. The state says it's part of our responsibility. Every aspect of this has to be reviewed and reformed. If they're going to give us the responsibility, we should have the freedom to determine how it will work. They keep mandating but cutting back on what they contribute.

Legislator Sinclair remarked that in a rural setting such as we live in, where there are populations with no transportation, whether they be handicapped, elderly, unemployed, can't afford a vehicle, or can't drive, of all the things we spend money on, investing in a transportation system is money well spent. Getting to a \$0 local share might be a wonderful accomplishment, but investing in our people being able to get around this rural countryside is money well spent.

Impact of the Healthcare Reform – Legislator Pullen asked what was budgeted for the impact on our self-insurance program of the healthcare reform, now that we have to provide health coverage for employees' children up to age 26 regardless of their circumstances. Mr. Margeson replied that we solicited quotes from companies for third-party administration of our self-funded program, and when the quotes came back, it was clear that Blue Cross/Blue Shield was the most competitive. We've asked them to come up with some kind of calculation for what the County may be looking at for additional expense as a result of that specific program. Mr. Margeson has added some money to the CSH Fund which is used to pay for employee health

insurance. He believes accommodations have been made for any increased expense we may be looking at in 2011.

Debt Service – Ms. Ross reported that the bond for the County Jail and Public Safety Facility is due to be paid off September 15, 2029 (19 years remain on a 25-year bond); the bond for the new Court Facility Project will be paid off in 2035; and the rest of the County's debt will be paid off in 2013, 2015, and 2016 (Statement of Debt, page 58 of the Budget). Legislator Pullen asked about the status of the reimbursement of the interest and debt service that had been advanced from the General Fund that we've been recovering out of the surplus from the jail housing revenue, and how close we are to being able to put money in the reserve fund. Ms. Ross will compile that information. Chairman Crandall asked if we could expect some money to go to reserve once the books are closed for 2010. Mr. Margeson responded that if we're intending to use just the revenue from housing federal inmates, it would probably be one to two years too early. Legislator Pullen questioned the possibility of early pay-off on bonding if we had a reserve. Ms. Ross noted that may be possible toward the end of the bond period, but it's way too early in the process, and she wasn't sure that one even has an early call on it. Every year, we look at what we have left to determine if something could be paid in advance, and it's never been to our advantage in the last few years. Chairman Crandall noted that as the reserves are built because of excess revenue, even if the bond can't be paid early for an interest savings, we could reach the point that for the last three to five years, we wouldn't have to budget new monies for payments. We could shift reserves to make the payments. That's where the idea of reserve monies could save.

Important Points on the Budget and the County's Financial Situation: Chairman Crandall stressed the importance of getting information out to the taxpayers. Some of the points that were made include the following:

- Pay-off of the \$1.3 million bond for bridges and equipment borrowed over the years
- Existence of a good fund balance
- Appropriation of \$150,000 toward landfill closure fund for the first time in many years
- Appropriation of funds for six bridge projects, and not having to borrow for them
- Information on the impact of state mandates

Next Steps in the Budget Process:

- Questions on the Budget can be directed to Terri Ross and John Margeson
- Next regular Budget Committee meeting – October 20
- Ways and Means can sponsor a resolution to amend the Tentative Budget right up to the time of adoption
- Public Hearing on the 2011 Tentative County Budget – November 10
- Resolutions to approve the Budget and the appropriation of funds – November 22

Adjournment: The meeting was adjourned at 11:15 a.m. following a motion made by Legislator Fanton, seconded by Legislator Cady and carried.

Respectfully submitted,
Adele Finnemore, Journal Clerk

**COMMITTEE OF THE WHOLE
NOVEMBER 8, 2010**

**** APPROVED ****

Members Present: Chairman C. Crandall, G. Benson, D. Burdick, D. Cady, P. Curran, D. Fanton, M. Healy, T. Hopkins, K. LaForge, D. Pullen, F. Sinclair, N. Ungermann;
(Absent: A. McGraw, T. O'Grady, D. Russo)

Others Present: M. Alger, A. Finnemore, J. Margeson, T. Miner, B. Riehle, T. Ross; **Media:**
D. Roorbach, Olean Times Herald

Call to Order: The meeting was called to order at 11:00 a.m. by Chairman Curtis W. Crandall.

2011 Allegany County Tentative Budget Adjustments

Chairman Crandall stated that the Tentative Budget currently calls for an approximate .5 percent increase in the property tax rate, or \$.09 per thousand. Newly available assessed value figures have changed that to around .3 percent tax rate increase, or \$.03 per thousand, which brings us to the point where a small amount of adjustment, calculated at \$75,000, would reduce our property tax rate increase to zero. During discussions, it was suggested that this reduction could come from .1 personnel services accounts, and it would be offset by the reduction in positions through early retirement. The adjustment could be made through a pre-filed Resolution at the November 22 Board meeting, if that is the consensus of this Committee.

Legislator Pullen agreed that we will see at least that amount of savings from vacant positions that are consolidated, eliminated, or even filled at lower salaries. Mr. Pullen also made note of savings realized in the cost of pharmaceutical expense related to the change already made with non-unit employees where some have switched over to "Option 1," and the use of generic drugs is being encouraged. With the recent agreement with the PEF union, we will continue to see additional savings as people continue to choose that option. That \$75,000 reduction will be more than made up between those two sources. Mr. Pullen supported making the adjustment to the Tentative Budget in order to reduce the property tax rate increase to zero.

Chairman Crandall commented that to have a clear idea of the effects of the early retirement incentive and elimination of positions through attrition, we need to carefully track the reductions, whether it's an elimination of a position or a reduction in pay for bringing in someone new at a lower rate. There are funds in the budget to offset the cost of the incentive. We've already seen the consolidation of positions in Emergency and Fire Services, and recently it was announced in a Human Services Committee meeting that a vacant Senior Caseworker position was not being filled. Those are things just being mentioned in committee, but we need to keep track of it all, including what portion of the savings is local share.

Legislator Sinclair felt that using \$75,000 to reduce the tax rate increase to zero is a good use of the savings that will be realized with the early retirement and reduction in workforce. Every effort being made to reduce the tax burden will help with the challenges we face in the future. Mr. Sinclair noted some of the other gestures already made, such as the allocation of \$950,000 from fund balance to reduce the tax burden, but he questions going any further. Reducing the tax rate increase to zero is something he would support.

Legislator Burdick questioned if the cost of the early retirement incentive, including sick and vacation time expense, would be this year's expenses. County Treasurer Terri Ross responded that they would be 2010 expenses.

Legislator Sinclair noted that the careful filling of some of these key department head positions will involve some time for advertising, interviewing, and negotiating. These small amounts of time when the position will be vacant and no salary will be paid out will also result in savings, supporting the idea that the savings are there.

Legislator Pullen stated that he would have liked to have made the reduction more significant, but the current economic climate does not allow for it. The projections for what we're looking at in the future for the County's retirement contribution indicate very sizable increases. If we don't want to have large tax rate increases, we have to conserve the fund balance to accommodate for that. If we use the fund balance to further reduce the tax rate now, we'd be hitting the taxpayers with large increases a couple of years down the road, which is even more devastating. The County recovered from a large deficit that was carried several years ago, and has built up a fund balance which is significant, but not large enough to comfortably face the state's large and ever-increasing pass-downs. The state often changes reimbursement rates for the counties when we're nine months through our fiscal year; that's the reason to have the fund balance. We're able to absorb those increased expenses, and didn't have to borrow when the state reimbursements were late. Until we see how things develop with the new Governor and Legislature, we have to be cautious in handling what's entrusted to us by the taxpayers.

Legislator Sinclair added that cutting and reducing the tax burden is a positive thing; however, there is a point when some of our surplus should be invested in economic development initiatives and infrastructure, which would boost the tax base and increase the number of jobs, thereby reducing the tax burden. Cutting costs is not the only way to get through a recession; we have to support these other things to keep us level when we come out of this.

Chairman Crandall noted that he has information to share during the Committee of the Whole meeting scheduled prior to the Budget Hearing on November 10 relative to reducing or capping property taxes. The information will illustrate that there has to be change in state and federal policy before we can do anything along those lines, and it will outline some of those needed changes. We can't do it here; we're just administering the programs they require. Reducing the tax rate increase to zero put us in a bad position several years ago, but we weren't in as good shape financially then either. We can't fall back on using the fund balance in order to hold taxes at zero. We can use and retain funds for development and infrastructure. It's an overall mix of responsible financial oversight.

A motion was made by Legislator Pullen and seconded by Legislator Fanton to amend the 2011 County Tentative Budget by reducing Personnel Services (.1) accounts by \$75,000, with the specific accounts to be identified by the County Administrator and given to the County Attorney for inclusion in the Resolution. The motion carried on a roll call vote of 12 Ayes, 0 Noes, 3 Absent. Prepare Resolution for November 22

Procedure for Filling Vacant Department Head Positions:

County Administrator John Margeson reported that we have two department heads taking advantage of the retirement incentive: Social Services Commissioner Patricia Schmelzer and Employment and Training Director Jerry Garmong. He highlighted the typical process for filling department head vacancies: the County Administrator, working with the Personnel Officer, prepares a help wanted ad including the position description and requesting a letter of interest and application be filed. That process is complete for the Social Services Commissioner position. (The Employment and Training Director position is still open). The applications are reviewed by the Personnel Officer, who removes the applications not meeting minimum qualifications (currently taking place). Following that, a couple of different procedures

have been followed in the past: 1) every member of the committee of jurisdiction is involved, and the committee makes the decision to interview all or some; or 2) the County Administrator recommends to the committee of jurisdiction which applicants he feels should be interviewed. The Human Services Committee should decide on how to proceed. Human Services Committee Chairman Doug Burdick felt the committee should see all the applications for those qualified. Mr. Margeson noted that the committee will make a decision on applicants to interview and decide on the date and time. After the interviews, the committee will decide who they feel should be hired. The committee offers a resolution to the full Board for the appointment at a certain salary. There are a couple of scenarios for deciding salary: 1) the committee makes a recommendation, and the Personnel Committee is asked to review that; or 2) the chairman of the committee asks for an executive session of the full Board.

Legislator Ungermann requested that the top three or four applications be distributed, well in advance, for review by all Legislators, along with a copy of the job specifications. Mr. Margeson replied that could be done. Chairman Crandall pointed out that we need to have a specific procedure, whether we have committee or full Board involvement. There can't be multiple people calling for references. Applications have been filtered out to those meeting qualifications, and any questions about references typically come through the committee to the County Administrator. Legislator Pullen requested if all Legislators could be notified when interviews are to be conducted and attend if they are available. Mr. Margeson replied that could be done. Legislator Sinclair requested that there be a uniform list of topics asked of all applicants, and would like provision for taking notes of responses. County Attorney Tom Miner noted that he didn't see a problem with that. Mr. Margeson responded that he provides committee members with a printed list of questions, and committee members usually jot down notes for each question, but he saw nothing wrong with having a recording secretary. In response to a question about the number of applications, Mr. Margeson noted that there were 13 for the Social Services Commissioner, with 12 or 13 meeting qualifications.

Legislator Pullen noted that in light of recent discussions on department head pay raises, one conclusion that could be drawn is that the only thing that would matter in this process is who is cheapest. This is an important position, and he wants to see efficiencies, creativity, and ingenuity. Mr. Pullen suggested that the committee be given some guidance as to what we're looking for and how the specifications in the application will come into play.

Legislator Burdick asked about the term of the appointment for the Social Services Commissioner. Mr. Margeson replied that it is a six-year term, and he thinks this is the beginning of a new term. This selection also has to be approved by the NYS Commissioner of Social Services. Legislator Cady asked if some of the problems with salary could be avoided by setting a salary ahead of time, which could result in an applicant withdrawing if he doesn't like it. Chairman Crandall noted that in the past, a salary range is established. All candidates are different. Mr. Cady remarked that a range is alright, but the salary should be less than the experienced employee received. Legislator Hopkins commented on the lack of a probationary period. Mr. Margeson noted that there is still a termination procedure set in civil service law, but you can't change the term.

Legislator Sinclair commented that he would like to see some of the ideas Mr. Pullen brought forward put into the interview questions and challenge candidates in terms of facing our pending escalating costs and how they would administer programs to keep things under control. Mr. Sinclair also suggested that in filling the Employment and Training Director position, we consider if we could outsource some of the aspects of that operation. The second in command retired also. We should look at that, not just in terms of savings, but the possibility of outsourcing. The issue will be discussed at the next Planning and Economic Development Committee meeting. Mr. Cady suggested a provision for consulting cooperation with the Employment and Training Director position. The new hire may want Mr. Garmon's assistance.

Adjournment: The meeting was adjourned at 11:50 a.m. following a motion made by Legislator Fanton, seconded by Legislator Cady and carried.

**COMMITTEE OF THE WHOLE
NOVEMBER 10, 2010**

**** APPROVED ****

Members Present: Chairman C. Crandall, G. Benson, D. Burdick, D. Cady, P. Curran, D. Fanton, M. Healy, T. Hopkins, K. LaForge, A. McGraw, T. O'Grady, D. Pullen, F. Sinclair, N. Ungermann; (*Absent: D. Russo*)

Others Present: M. Alger, L. Ballengee, R. Christman, A. Finnemore, J. Margeson, T. Miner, B. Riehle, T. Ross, E. Ruckle, approximately 5 other County employees, and 10 members of the public; **Media:** R. Mangels, WJQZ; B. Quinn, Wellsville Daily Reporter; D. Roorbach, Olean Times Herald

Call to Order: The meeting was called to order at 6:30 p.m. by Chairman Curtis W. Crandall, followed by the Pledge of Allegiance. The Invocation was led by Legislator David Pullen.

NYSAC Video – Property Tax Cap Proposals, State Mandates, and 2011 County Budgets:

A short video entitled, "Property Tax Cap Proposals, State Mandates, and 2011 County Budgets," prepared by New York State Association of Counties and narrated by Executive Director Stephen Acquario, was shown (copy of slides attached to original minutes). Mr. Acquario began by giving a short history of the function of county government, at its inception, in the delivery of essential services, representation in state legislature, and imposition of taxes for local purposes. Then moving forward to the present, he explained the proposed property tax cap and what it will do to the operation of county government.

Governor Proposes and Senate Passes Property Tax Cap:

- Applies to all local governments (counties, towns, cities, villages, school districts)
- Lower of 4 percent or 120 percent of Consumer Price Index (CPI) (for 2011, the property tax cap would limit growth of local taxes to 1 percent over 2010)
- 2/3 vote of local legislature required to override property tax cap
- Big 5 School Districts exempt
- NYC exempt
- No moratorium on unfunded mandates

NYSAC's response to the cap:

- Reducing property taxes has been a priority for county leaders for decades.
- This has always been contingent on aggressive realignment of the service delivery structure in NYS – currently 90 percent of the county property tax levy pays for nine state mandated programs.
- Fiscal responsibility for services should reside with the level of government that has the decision-making authority over those services. The counties don't have that authority.
- State mandates and fixed costs (pensions and health care) consume up to 75 to 85 percent of county budgets, leaving only 15 percent for local purposes.
- Counties need more authority, not less, to manage our own governments and finances.

Mr. Acquario highlighted some property tax cap programs enacted in other states, one as long ago as 1978. He noted two other proposals being advanced in New York State:

- One Proposal

- ✓ Lower of inflation or 2 percent
 - ✓ Cap can be overridden by majority vote of local legislature and a 60 percent majority of voters
 - ✓ Exceptions for emergency declarations, large legal settlements and extraordinary capital expenditures
 - ✓ Exceptions for counties for state social service programs that are not capped
- Another Proposal
 - ✓ Property tax cap of 2.5 percent of the assessed value of the home
 - ✓ Allows for voter approved override to increase local spending for specific purposes

Some facts pointed out by Mr. Acquario regarding taxes in New York State:

- New York has the highest local taxes in America as a percentage of personal income – 79 percent above the national average.
- When property taxes are measured as a percentage of home value, the top 16 counties in the nation are all in New York.
- The local tax burden in New York has been the highest in the nation 17 of the last 20 years.

Reform will bring relief:

- Simply capping property taxes will not reduce the cost of state government and its programs and services imposed on property taxpayers.
- Ironically, it preserves the status quo – that New Yorkers pay the highest property taxes in the nation.
- The state must reform the service delivery system to effectively reduce property taxes.

The loss of local autonomy:

- Sixty years ago, county government was very different than today - addressing local needs like infrastructure, public safety, economic development, caring for the needy in areas like operating a nursing home, maintaining parks, and providing other quality of life programs.
- Gradually, as the state expanded public services, it imposed the cost for those programs on local property taxpayers.

Nine state mandates consume 90 percent of the county property tax levy collected statewide:

- Medicaid – biggest property tax funded mandate – increasing from a property tax share of \$115 million in 1966 to a property tax share of \$7 billion in 2010. Statewide, the 2010 county property tax levy for Medicaid ranged from 35 percent to 65 percent.
- Public Assistance/Safety Net - \$1 billion local tax impact
- Child Welfare Protection/Prevention - \$800 million local tax impact
- Special Education Pre-K - \$420 million local tax impact
- Indigent Defense - \$300 million local tax impact
- Probation - \$340 million local tax impact
- Early Intervention - \$185 million local tax impact
- Pensions - \$600 million local tax impact
- Youth Detention - \$84 million local tax impact

Other state mandated programs/policies funded by the property tax:

- Corrections/Public Safety/Court Facility Construction
- Taylor Law (1967), Triborough Amendment
- Wick's Law
- Community Colleges, especially the chargeback provision

Nine mandates consume 90 percent of the property tax levy. The total county real property tax levy in 2010 statewide was \$4.4 billion. County property taxes (excluding NYC) for these nine mandated programs are close to \$4 billion.

Let locals set the levy!

- The state imposed property tax levy has caused New York State's property taxes to be 79 percent above the national average.
- When all mandates and fixed costs are considered, many counties have only about 20 percent of their budget available for local discretionary programs.
- Counties can no longer use local tax dollars to address local needs. That's wrong, and we need to move in a different direction in this state if we want to remain competitive, create economic development, and serve those most in need in our communities.
- If the state wants property tax relief, they must let locally elected officials set the property tax levy.

Allegany County 2011 Budget and Unfunded Mandates:

Chairman Crandall gave a PowerPoint presentation to illustrate the effects that unfunded mandates and the proposed property tax cap would have on our local County tax dollars (copy of presentation attached to original minutes).

Unfunded mandates are state or federal programs that Allegany County must provide by law, and they are not completely funded by state or federal taxes. These are programs that we, as County taxpayers, have no choice in paying for.

Included in the 2011 Allegany County Tentative Budget is a property tax levy of \$27,602,083. This is the amount to be raised by taxes. The portion of the tax levy that has to be used for the "Big 9" mandated programs is illustrated below. Figures are from the 2011 Tentative County Budget. Anticipated aid has been subtracted to show a net cost.

<u>Program</u>	<u>2011 Cost</u>	<u>2011 Aid</u>	<u>Net Cost</u>	<u>on Net</u>	<u>% of Levy</u>
Medicaid	\$10,960,492	- \$1,168,500	= \$9,791,992	or	35.57%
Safety Net	1,600,000	- 870,000	= 730,000	or	2.65%
Child Welfare	3,177,000	- 2,584,624	= 592,376	or	2.15%
Special Ed/Pre-K	1,952,000	- 864,000	= 1,088,000	or	3.95%
Indigent Defense	658,106	- 150,000	= 508,106	or	1.85%
Probation	804,353	- 112,609	= 691,744	or	2.51%
Early Intervention	406,300	- 367,000	= 39,300	or	0.14%
Retirement	3,576,147	-	= 3,576,147	or	12.99%
Youth Detention	75,000	-	= 75,000	or	0.27%
Totals (Big 9 Mandates)	\$23,209,398	- \$6,116,733	= \$17,092,665	or	62.09%

Mandated Courthouse and Jail Costs, Added to the Big 9 Mandates:

<u>Program</u>	<u>2011 Cost</u>	<u>2011 Aid</u>	<u>Net Cost</u>	<u>% of Levy on Net</u>
Big 9 Mandates				
(carried forward)	\$23,209,398	- \$6,116,733	= \$17,092,665	or 62.09%
Jail Debt Service	1,610,000	- 2,240,000 *	= (630,000)	or (2.29%)
Jail Operation	5,484,243	- 155,000	= 5,329,243	or 19.36%
Courthouse Debt Service	1,482,000	- 667,000	= 815,000	or 2.96%
Grand Totals	\$31,785,641	- \$9,178,733	= \$22,606,908	or 82.13%
Total without Revenue from Housing Inmates			= \$24,846,908	or 90.26%

* This figure represents housing out-of-County inmates at our facility. Currently, a little over \$8 million has been paid to-date in bond anticipation notes and bond payments, and we have received a little over \$6 million in housing, for a difference of about \$1.7 million. At this rate, in about 2.5 to 3 years, we will be able to use the excess revenues to make future bond payments.

Other mandated programs and costs in addition to those just identified amount to \$4,139,180. One example of this is Community College cost budgeted at \$900,000. (Community College cost is one of the Town expenses that the County has taken on in lieu of shared sales tax.) Other programs included in the \$4 million are District Attorney, Elections, Social Services Administration, and Sheriff.

The Bottom Line:

- Our tax bill for 2011 \$27,602,083
- Mandated Costs 26,746,088
- Left over funds for other operations ** \$ 855,995

** Roads, Bridges, Economic Development, Maintenance & Repairs, Aging, Employment & Training, E-911, Veterans' Services

Property Taxes CANNOT BE CAPPED without addressing UNFUNDED MANDATES.

- A small percentage increase in mandated programs could easily exceed any proposed property tax cap.
- Allegany County is administering mandated programs that we have no control over.
- New York State and the federal government need to address and reduce the mandated programs on our County taxpayers.

Adjournment: The meeting was adjourned at 7:00 p.m. following a motion made by Legislator Hopkins, seconded by Legislator Sinclair and carried.

Respectfully submitted,
Adele Finnemore, Journal Clerk

**JOINT COMMITTEE OF THE WHOLE / PERSONNEL COMMITTEE
NOVEMBER 22, 2010**

**** APPROVED ****

Members Present: Chairman C. Crandall, G. Benson, D. Burdick, D. Cady, P. Curran, D. Fanton, M. Healy, T. Hopkins, K. LaForge, A. McGraw, T. O'Grady, D. Pullen, F. Sinclair, N. Ungermann; (*Absent: D. Russo*)

Others Present: M. Alger, A. Finnemore, J. Margeson, B. Riehle

Call to Order: The meeting was called to order at 3:00 p.m. by Chairman Curtis W. Crandall.

Executive Session:

A motion was made by Legislator Hopkins, seconded by Legislator Curran and carried to enter into executive session to discuss the employment history of particular employees. Immediately following discussion, a motion was made by Legislator O'Grady, seconded by Legislator Curran and carried to close the executive session and return to the regular meeting.

Sheriff Salary:

A motion was made by Legislator Fanton, seconded by Legislator Benson and carried unanimously to sponsor a resolution establishing the salary for the Sheriff at \$58,000. (Included with the Section 4 Salaries in the resolution requested below.)

2011 Salaries for Section 4, Non-Graded Positions:

A motion was made by Legislator Burdick, seconded by Legislator Benson and carried to sponsor a resolution establishing the 2011 compensation for County employees whose titles are in the Section 4 Salary Plan as listed below (opposed: Ungermann). (It should be noted that the positions of Public Defender, County Treasurer, Real Property Tax Agency Director, County Clerk, County Attorney, Personnel Officer, Public Works Superintendent, Public Health Director, Social Services Commissioner, and Employment & Training Director were addressed separately by Local Law No. 4-2010 adopted by Resolution No. 195-10 on October 25, 2010.) **Prepare Resolution**

SECTION 4 (NON-GRADED) POSITIONS - 2011 SALARIES

<u>TITLE</u>	<u>BASE SALARY</u>
County Legislators (15)	8,500
Chairman of the Board	8,500
Majority Leader	300
Minority Leader	300
Budget Officer	2,500
Deputy Budget Officer	2,500
County Administrator	92,376
Deputy County Administrator	61,800
Clerk of the Board	54,275
District Attorney	119,800
Assistant District Attorney (1st)	35,760
Assistant District Attorney (2nd)	33,185
Assistant District Attorney (3 rd)	33,185
Assistant District Attorney (4th)	33,185

Assistant District Attorney (5th) RTR	26,000
Assistant District Attorney (6th) Welfare	24,000
District Attorney Investigator (PT)	12,669
Coroners	150 p/d
Coroners' Physician	50 p/d
Deputy County Auditor	1,200
Assistant County Attorney (1st)	78,010
Assistant County Attorney (2nd)	58,045
Assistant County Attorney (3rd)	57,000
Election Commissioners (2)	13,525
Election Technicians	\$16.50/hr.
Election Inspectors	\$16.50/hr.
Election Inspectors	\$85/day
	primary
	8.00/hr.
Seasonal Laborers (Public Works)	
Information Technology Director	63,940
Sheriff	58,000
Probation Director II	58,830
STOP DWI Coordinator	15,250
Youth Director	29,960
Emergency Management and Fire Director	48,000 (Res. #175-10)
Medical Director	20,000
Community Services Director	37,430
Development Director	78,400
Office for the Aging Director	57,325
Office for the Aging:	
Site Managers	7.50-9.50/hr.
Drivers, Aides	7.50-9.50/hr.
Rushford Lake:	
Youth Agencies Director	495/wk.
Lifeguards	9.75/hr.
JTPA Summer Counselors/Teachers	12/hr.
Executive Secretary, Workers Comp.	32,340

2011 Salaries for Non-Unit Employees:

A motion was made by Legislator Burdick, seconded by Legislator Benson and carried to sponsor a resolution establishing a 2.5 percent salary increase for 2011 for County employees whose titles are in the Non-Unit Salary Plan (opposed: Ungermann). **Prepare Resolution**

County Clerk Personnel Requests

County Clerk Robert Christman requested approval to change a position of Full-Time Index Clerk (AFSCME Grade 6) to Part-Time Index Clerk, as well as approval to fill the Part-Time Index Clerk position. **Referred to County Administrator and Ways & Means Committee**

Mr. Christman also requested approval to create two positions of Senior Recording Clerk (AFSCME Grade 10), and eliminate one position of Index Clerk and one position of Senior Index Clerk, as well as approval to fill the newly created positions. A motion was made by Legislator Benson, seconded by Legislator Fanton and carried unanimously to approve the requests.

Prepare Resolution for creation of positions. Referred to County Administrator and Ways & Means Committee for filling of positions contingent on adoption of resolution.

The cumulative savings for all personnel changes amount to \$6,939.

Mr. Christman reported that a Senior Account Clerk Typist (AFSCME Grade 10) position will become vacant as of December 29 due to a retirement. This position handles all final collection transactions in both the County Clerk's Office and Department of Motor Vehicles and balances all accounts daily. It is an essential job that can't be absorbed by another employee due to its complexity and time constraints. The position is responsible for over \$1 million in receipts, deposits, and general accounting data input. Good accounting practice dictates multiple levels of transaction verification. Redundant accounting verification is required by both the NYS DMV and the NYS Unified Court System. Mr. Christman is requesting approval to fill the position effective January 1. He will be moving a Full-Time Index Clerk who meets the qualifications and is currently being co-trained to the vacated position. A motion was made by Legislator Pullen, seconded by Legislator Benson and carried unanimously to approve the request. **Referred to County Administrator and Ways & Means Committee**

Adjournment: The meeting was adjourned at 3:37 p.m. following a motion made by Legislator Burdick, seconded by Legislator Fanton and carried.

Respectfully submitted,
Adele Finnemore, Journal Clerk