

**ALLEGANY COUNTY BOARD OF LEGISLATORS
COMMITTEE OF THE WHOLE
January 25, 2011**

**** APPROVED ****

Legislators Present

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

Others Present

M. Alger, K. Dirlam, J. Foels, K. Hollis, R. Hollis, J. Hopkins, J. Margeson, B. Riehle, T. Ross, K. Toot

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 history of previous Committee of the Whole meetings and indicated that this type of setting provides a more relaxed atmosphere to discuss ideas and issues of concern. This Board has had more Committee of the Whole meetings than previous Boards. Although the Board appears to operate well under our committee system, this type of meeting provides a good opportunity for some open discussion.

NACO

Chairman Crandall indicated that we recently received a complimentary membership to the National Association of Counties (NACO) for 2011 at an estimated value of \$1,095. Chairman Crandall commented that it is a marketing ploy, and we would be required to pay dues in future years. County Administrator John Margeson indicated that we were a member once in the past. Chairman Crandall asked if any of the Legislators were familiar with the organization or knew of associates that were members. Chairman Crandall encouraged Legislators to give feedback, and he also asked Clerk of the Board Brenda Rigby Riehle to poll the other Clerks to see which of the counties we are active with might be members.

Chairman Crandall asked Development Director John Foels and Planner Kier Dirlam to provide a brief update on any development issues.

Friendship Empire Zone

Mr. Foels and Mr. Dirlam distributed copies of the Friendship Empire Zone Business Annual Report Summary (*attached to original minutes*). Mr. Foels indicated that they are required to capture information on companies that are in our Empire Zone on an annual basis. The Empire Zone began in 1993, and the first year of operation was 1994. Most companies have at least five to eight years left in the Empire Zone Program, but the Program ended in June 2010, and the state is handling everything as there is no local board or director any more. Mr. Foels noted that the program was expanded and 2001 to 2009 were high impact years, and all major Allegany County companies (80 companies of significance) were foot printed in the Empire Zone. Mr. Foels referred to the spreadsheets that were distributed, noting the following:

- 16-year capital investment and cumulative growth was \$154,397,011
- 16-year average annual capital investment was \$10,266,267
- In 2009 the investment per business was \$168,344.62 with a gross payroll over \$115 million
- Average employee makes in excess of \$45,000

- There are over 2,400 full-time employees, and over 435 part-time employees

Mr. Foels noted that the Empire Zone Program has been a huge benefit to Allegany County for the modest fee that was paid on an annual basis. The Empire Zone was an incentive based program provided by New York State, and companies had to qualify to receive allowable tax benefits. The companies that participated paid 100 percent of their property taxes, etc. and were then credited by New York State.

Mr. Foels referred to the graph of the annual capital investment, noting the big years of expansion in 2003 and 2007. The graph depicting the capital investment cumulative growth shows steady increases approaching almost \$160 million in 2009. The total employment graph shows a few fluctuations over the years. The certified businesses graph peaked in 2003 at 154 as the zone was expanded, and then over time some businesses either no longer qualified or the benefits rubbed off, and we ended 2009 with 80 businesses still in the Empire Zone. Mr. Foels noted that in ratio to size, we have been one of the better performing Empire Zones in the state.

Legislator Ungermann asked if there were any statistics on companies that were not in the Empire Zone as he is curious to know how they would have done without any subsidies. Mr. Foels indicated that they do not currently have any of those statistics, but he would be willing to work with the Chamber to obtain this information.

Chairman Crandall asked about the Excelsior Program and what they might be doing in the future. Mr. Foels indicated that Governor Paterson put something in place, but it had less impact than Empire Zones. Mr. Foels stated that in the Excelsior Program, the benefits are received by the company three years after they report. New York State is holding back three years. Mr. Foels stated that Governor Cuomo has indicated that he would like to re-engineer benefit incentives and put his stamp of approval on the program, and he believes it will be replaced with something else. Mr. Foels noted that it is going to be very difficult to get the incentives we saw a few years ago. Committee members briefly discussed how the benefits that a larger company might receive end up trickling down to other smaller companies as they expand or increase their business needs. When businesses are in the Empire Zone, the benefits also make them more attractive for investors.

Mr. Foels stated that they will be filing the report with New York State in the next few days. Mr. Foels complimented the work of Wendall Brown who came back in to complete the reports.

Swain Ski Center

Swain Ski Center was a big concern a few years ago when the owner considered closing it. Since that time good operators were identified, and Swain has been turning things around. Mr. Foels distributed copies of an article that appeared in the *Hornell Tribune* on January 20 regarding Swain's plans to expand. The paper stated that Scott Carts, co-operator of the ski center, told Grove town officials that management has plans to develop 30 acres of vacant property into residential housing and add an additional six or seven new ski runs before the 2011-2012 season begins. Mr. Foels noted that Mr. Carts hopes to transform Swain into Rochester's Ellicottville within ten years.

Efficiency in Government Operations

On January 10, 2011, the Board adopted Resolution No. 10-11 – *Authorizing the County Planner to Develop Specific Initiatives Which Will Formulate the Basis for a Funding Request to the New York State Department of State Local Government Efficiency Grant Program and Report Back to the Allegany County Board of Legislators.*

County Planner Kier Dirlam stated that the resolution opened two questions in his mind. The first would be what are the funding sources. Mr. Dirlam indicated that the most obvious source is the variety pack of programs that the Department of State offers. The second part is what are we

actually going to study. Mr. Dirlam distributed a laundry list of projects that we could be investigating. Mr. Dirlam stated that they met with a representative from the NYS Department of State along with a few Legislators and Richard Zink and Ginger Malak from Southern Tier West to discuss what the state's program is. Mr. Dirlam said it's more of a buffet table of programs. Mr. Dirlam indicated that the most immediate programs have deadlines of February 16 and March 16, and they may or may not have money in those programs. We have a new Governor in place, and he has stated that he will be promoting consolidation and shared services which could lead to more cash available for these types of things. Mr. Dirlam indicated that we could apply for a high priority grant. The process for applying is very simple, and it's a 90 to 10 percent match program where they would pay 90 percent and we would pay 10 percent.

Mr. Dirlam indicated that he also met with representatives from the Northeast Allegany County Coalition last week, and he got a feeling of which projects were positive and which were not. Mr. Dirlam presented the following list of projects:

1. Tier 1 Projects:

- A. County Water District System – possibility of creation of single entity to take care of maintenance, administration, licensing and other duties across all systems.
- B. County Sewer District System – possibility of creation of single entity to take care of maintenance, administration, licensing and other duties across all systems.
- C. Highway Departments – Review Inter-Municipal Agreement including:
 - highway maintenance,
 - equipment sharing,
 - snow/ice handling,
 - salt storage,
 - fuel farms,
 - garbage hauling and clean-up.
- D. Health Benefits Shared Across the Municipalities – health insurance laws may preclude this type of action.
- E. County Communications to Include all Town/Village Highway, EMS, Police, Fire, etc.

2. Tier 2 Projects:

- A. County-Wide Assessors System Instead of at the Town Level – a County Board resolution was passed years ago to offer to take over this if 50 percent of the towns requested it.
- B. County-Wide Building Codes, Permits and Code Enforcement.
- C. Hazard Mitigation Projects and Implementation.
- D. Records and Archives Management Across Municipalities.

3. Tier 3 Projects:

- A. Sharing of Town Clerks and Staff Between Towns.
- B. Review of Savings Associated with the Reductions of Governmental Boards at the County, Town and Village Levels.
- C. Police Services Coordinator and Overlap – probably focus on southern district initially.

4. Beyond Present View

- A. County District Court System Instead of at the Town Level – this is probably one of the toughest nuts to crack as many other counties have found.
- B. School Administration – Superintendents and their Staff.
- C. Animal Control.
- D. Many Other Topics.

Mr. Dirlam noted that many expressed an interest in the water and sewer and indicated that they would like to have an alternative available so that they do not have to keep people certified in their town. The highway ideas were met with a mixed response. Many like to keep equipment in their towns, and there does not seem to be a system in place for sharing. There are some areas where they are already doing a great job of sharing. Mr. Dirlam stated that he does not have a good list of inter-municipal agreements. The idea that received the biggest support was the concept of creating a shared health benefits package across the County that would work through several levels. Mr. Dirlam stated that they were less supportive of the Tier 3 Projects.

Certain communities that are at 150 percent of their per capita spending on certain items can apply for special funding. For highway, the towns of Allen, Birdsall, Alma, Centerville, Granger, Grove, Independence, New Hudson, Rushford, Ward, West Almond and the Village of Angelica would be eligible. For police, the Village of Wellsville would be eligible. For fire service, the Town of Friendship and Villages of Angelica and Canaseraga would be eligible. Chairman Crandall asserted that it's not the County's say what the towns or villages do in shared services or consolidation; it's their call. We could play a good role in helping facilitate bringing this together. This is a choice this Board needs to make. Towns and villages can do this on their own, but many of them are not, often due to a lack of information.

Legislator LaForge stated that whenever the word consolidation is used, the foremost reason efforts fail is because someone thinks they are going to lose their job; however, anything combined could generally be absorbed by attrition over five years. A second reason consolidation sometimes fails is because someone loses their power, and we have to find a way to work through that. If the County is going to act as a facilitator, we don't want to be portrayed as a power grabber. Power has to come up from the towns and villages and pushed down from the County for this to succeed. Ultimately there are some substantial gains that can be made so that we can offer a more affordable product. We have a lot of duplication of services in our County, and Mr. LaForge believes that we need to move in the direction of providing more services at the regional or county levels. Many areas to the south of us that have much lower tax rates use this approach. Chairman Crandall stated that the County could help facilitate bringing things together, and our role may be to act as a co-applicant.

Water and Sewer Study

Chairman Crandall stated that sewer and water might be a good place to start. Eighteen towns have water districts, and ten towns have sewer. The ones that have sewer also have water. It might be good for them to participate in a study to determine what efficiencies could be achieved. The County could work with the Department of State with the County Planner working as a conduit to bring these towns together.

Legislator Norman Ungermann stated that talking about a county-wide approach to sewer and water is a good thing. Legislator Ungermann referred to the possibility of connecting water from Wellsville to Andover, from Cuba to Friendship, and from Belmont to Crossroads noting that tying these areas together could help future development. The more areas that could be hooked together would open areas for development along those routes. County-wide sewer and water could be one of the best things we could do to foster development with water possibly being the more crucial. If the infrastructure isn't here, sometimes you have to make an investment to see things happen. Companies that might consider locating in this area are not going to wait for those things; they will just go somewhere else. Infrastructure is critical for the development of Allegany County.

Committee members briefly discussed the current systems as well as expansion efforts in several towns. Legislator David Pullen spoke regarding some of the advantages of going on a community system. Both Legislator Pullen and Legislator Ungermann gave examples of towns that

have expanded sewer and/or water systems, and how people that were not initially interested ended up wanting to tie into the system once it was in place. Legislator Ungermann stated that if you cut down on the infiltration, you may not have to expand the size of the sewer treatment plants that much because you would have a much tighter and more efficient system.

Legislator Frederick Sinclair stated that the immediate savings in a county-wide water or sewer program would be in the shared services, shared employees, and shared support. A study could be expanded enough to include the needs of communities and these ideas that we identified. The framework for that activity in this initial study would be touched on, and it would give towns an opportunity to sign on. The ceiling for these types of grants is generally \$50,000 so it would cost \$5,000 (90/10). Legislator Sinclair stated that if two towns were interested, you could get the ball rolling on the grant, and other towns could sign on at any time. You don't have to have everyone signed up right away. Legislator Sinclair also noted that we could get involved in more than one grant, they are non-competitive.

Chairman Crandall suggested inviting the 18 municipalities that have sewer and/or water systems in place to a meeting to share the information we have on applying for grants to study those efficiencies. Legislator Sinclair also talked about the possibility of bringing smaller groups or just a couple towns together, and then expanding from there. It will not cost anything to bring those people together, and there would be no cost involved with passing a resolution to be a co-applicant for that grant funding. Those attending the meeting agreed that trying to meet the February or possibly even March deadline that Mr. Dirlam previously mentioned may not be realistic. The new Governor is very interested in consolidations and shared services so when the new New York State Budget comes out, it may be one of the few things that is increased. Mr. Dirlam indicated that the representative from the NYS Department of State sounded like he would be willing to come back for a group session. Mr. Foels also suggested that the Legislators might want to touch base with the representative from the NYS Department of State when they are in Albany for the NYSAC Conference. Legislator Pullen asked if the County would be financing the \$5,000 (10 percent share of \$50,000) so that we can tell the towns that there will be no expense to them to move forward with the study. Legislators discussed what can be accomplished for \$50,000, and Chairman Crandall clarified that the study won't get into running hook ups, but rather it will be a study of the efficiencies of the existing systems. Mr. Dirlam noted that it probably won't get to the engineering level, but it will probably deal with the administration and process level. Legislators agreed that the County should move forward with an invitation to the 18 municipalities with water and/or sewer to see if there is interest in participating in a joint application to study the efficiencies and operations of their existing systems. Chairman Crandall indicated that the County would be listed as a co-applicant and would also plan to fund the 10 percent match. Chairman Crandall directed Mr. Foels and Mr. Dirlam to get something on the calendar and send out invitations to the 18 municipalities. The representative from the NYS Department of State and Legislators should also be invited.

County Treasurer Terri Ross mentioned that she secured a shared services grant a few years ago to study a centralized system for tax collectors. Ms. Ross indicated that their first application was turned down because they didn't have enough participants. The second time they applied, they had to make sure the towns had enough time to get the information to their Boards to get a letter of intent back to the County Board for a resolution. Ms. Ross cautioned that we will want to be aware of the timeframes that the towns have to operate in. Chairman Crandall also noted that if you are looking at a county-wide system, then everyone would have to participate, but many of the things we are discussing tonight are much smaller projects that towns can choose to participate in or not.

Health Benefits Study

Legislator Sinclair stated that big savings can be achieved when health and prescription plans merge. Tompkins County is currently doing that, and they are getting ready to do an expanded program. A study of regional waste management might be another good topic as we are

not too many years away from having to do something else. Legislator Theodore Hopkins suggested it might be a good idea to apply for smaller projects so you don't run short of money. Legislator Ungermann commented that all of the towns and villages participate in our Workers' Compensation Program, and it seems like the health insurance plan could be expanded in the same manner. Chairman Crandall stated that the collective bargaining groups would make a big difference in what could be done. Chairman Crandall referred to efforts that Chautauqua County made several years ago to develop a health program for several counties in Western New York. That's where you end up with a cafeteria-type plan where you may have a dozen different policies within the plan and your savings come from the administration and size of participants. Legislator David Pullen stated that he has had a lot of involvement in negotiating contracts at the town level, and they are all over the place; there is a huge disparity between towns. The County plan is getting better, and the cost efficiency of that program is improving. Some smaller towns can't really qualify for much of a plan so they end up joining the Chamber. Having something like this could prove to be tremendously advantageous for them. Legislator Hopkins noted that Southern Tier West is also eligible to apply for grants, and the health benefits issue may be a good project for them to run with. Legislator Pullen stated that as soon as we start bringing others in, then we become an insurance company, and that involves other ramifications. It may involve a whole other tier we don't want to get involved in. Legislator Sinclair indicated that Tompkins County was able to do something. There might be trouble with merging counties, but Southern Tier West also indicated that they would be willing to look at a program within the County. Legislator Hopkins and Legislator Sinclair will plan to talk with representatives from Southern Tier West regarding this matter.

Highway Study

Rick Hollis from Granger stated that he sees a lot of small towns listed under the highway component, noting that Granger has 15 miles of gravel road. It's very expensive to maintain gravel road, and Mr. Hollis suggested preparing an application to study gravel road maintenance to oil and chip stone maintenance. It's great to help all of the larger towns that have water systems, but the smaller towns have issues around their highway departments. Chairman Crandall indicated that they do want to help all of the towns, and every municipality has highways. Chairman Crandall stated that there is need for some more homework before something can happen. There are opportunities for all of the municipalities if we gel up some of the issues. We would want to issue invitations to all municipalities to sit in on highway talks. Chairman Crandall said information should be distributed to all towns letting them know that they may be eligible for some of these studies.

Crossroads Area Development

Legislator Dwight "Mike" Healy stated that he believes the County will see a positive response from Amity because they approached Legislator Healy, Legislator Sinclair, and Development Director Foels about nine months ago regarding the possibility of forming a water district between the Village of Belmont and the Crossroads Area. All of the projects and ideas mentioned are good, and we should move ahead, but our main priority should be development of the Crossroads Intersection. That is where we will get the most "bang for our buck" and get revenue to help finance other projects.

Legislator Pullen stated that one of the key steps for the County going forward is infrastructure for Crossroads. Development Director John Foels stated that the County retained J. O'Connell & Associates, Inc. for the provision of grant writing services (Resolution No. 214-10), and they have a meeting scheduled to meet with all of the identified funding partners that exist. The meeting will include all potential funding partnerships straight across the board. The present project will be presented as it stands along with the steps that need to be taken. This is more than just a concept. The project has been through engineering, wetlands, wildlife, and archeological reviews. Intermunicipal agreements between the County and Friendship for sewer and water have been in place. Now we are ready to speak specifically about funding. We will speak about water first and sewer second. As the project progresses, Mr. Foels will continue to provide ongoing reports.

Budget Issues

Legislator David Pullen briefly mentioned past financial woes and provided a brief history of the financial ground that has been gained over the last several years. Legislator Pullen stated that for the 2012 budget, he would like to shoot for a \$1 (per \$1,000 of assessed value) decrease in the tax rate. Legislator Pullen asserted that you need to figure out how much you have to spend before you can figure out how much you are going to spend. If you don't have it, you don't spend it. Legislator Pullen stated that we raised about \$27.5 million from our real property tax levy, and he believes there would be many fiscal advantages for our taxpayers and residents if we could decrease the tax rate by \$1/\$1,000. We are doing things that will result in savings, and there are also a few things like pension costs that are increasing. Legislator Pullen stated that we have to be committed to live within a certain budget. What is our orientation and commitment?

Chairman Crandall stated that the Governor has appointed a Medicaid Redesign Commission and Mandate Relief Commission. The property tax cap proposal does not address the fact that what is driving the high taxes are mandated programs. We have to get some mandate relief if we are going to reduce our tax rate. If the Governor does what he says he would like to do, then we will be able to reduce the tax rate. Legislator Timothy O'Grady mentioned Erie County Executive Chris Collins' proposal to allow each county to make their own changes when it comes to Medicaid costs including the additional optional programs available. Legislator Pullen stated that if you look over the last five years, every penny that has been raised in increases has either been used to pay off debt, or it's in the bank. We have not spent more taxpayer money in the last five years, and we have raised about \$16.5 million more than the 2006 budget. We have actually cut what we are spending because of the FMAP Stimulus money, grants, closing the Certified Home Health Agency in the Health Department, changing health insurance, etc. Legislator Pullen stated that every time we deal with a resolution it should be reported if it's a mandated program or cost. Legislator Pullen asserted that we need to commit to not spending money we don't have, and we need to commit to not taking more away from the taxpayer.

Legislator Donald Cady expressed concern about the property tax cap and agreed that any decrease in the tax rate would be beneficial. Legislator Karl Graves stated that we need to find ways to put change back in the people's pockets. We need to set goals and objectives, but until we hear those reports and see what direction the new administration in Albany is going, we need to be very cautious. Hopefully we will be able to really address some of these things.

Chairman Crandall talked about the tax rate and levy. We had a 0 percent tax rate increase. People see their tax bill and it reflects the 1.4 percent levy increase, but not that rate. When the equalization rate was distributed, 20 of the 29 towns went down. We need to somehow get the proper information out. It would be nice to be able to debate the issue with people that understand the tax rate, levy, etc. Unfortunately we can't add things to the tax bills to try to explain this. Other counties seem to get this information out, and we need to also figure out a way to do this.

Legislator Ungermann stated that he appreciated the letter the Chairman sent to the Governor. Legislator Ungermann referred to a letter that he received from a constituent who enclosed an article regarding Erie County backing a "Medicaid opt-out" for services that are not required (vision care, dental care, dentures, hearing aids and private duty nursing) by Federal Law. Legislator Ungermann stated that there was a bill sponsored back in 2005 in the NYS Assembly to be able to opt out of the optional services, and he would like to support the idea. If New York State accepted what they give in California for benefits, we would have more money than we know what to do with. Legislator Ungermann suggested that we send a letter to Erie County Executive Chris Collins in support of his idea. Legislator Sinclair stated that he received a copy of the same letter that Legislator Ungermann mentioned, and his response was that we should pull the records for our County and see how much we are spending on those specific things that are considered optional. Legislator Sinclair stated that we have to have a clear understanding of what the impact would be of eliminating certain programs. We actually make money on some mandated programs, and we have

programs that support a lot of families and their needs. Legislator Sinclair indicated that we have to carefully evaluate the impact to the balance we have achieved. We need to invest in some programs; we can't be too narrow in our vision when it comes to looking at how to approach efficiency. Legislator Ungermann indicated that he recently listened to a speaker at the Farm Bureau annual dinner who was talking about job placement. The speaker indicated that people they send to do a \$9/hour job won't do it because they can go home and make more on welfare. Legislator Ungermann asserted that we need to change the attitude that people are not responsible for themselves. Legislator Donald Cady briefly discussed how the government used to provide opportunities to people willing to take advantage of what was available and better themselves. Legislator Timothy O'Grady referred to a newspaper article from the *Buffalo News* stating that the folks on Medicaid have more benefits provided than the folks on Medicare, and there is something wrong with that. We do need reform, and it needs to come sooner, rather than later. Office for the Aging Director Kimberley Toot stated that the elderly and disabled are the biggest users of Medicaid, and they spend the most on long-term care. If you look at the numbers across the state, rural upstate New York spends very little on long-term care. New York City will spend \$150,000 per person for homecare which is double the cost of a nursing home per year. When you talk about inequities and issues with Medicaid, you are talking about the kinds of services that old people need. We know how to pinch our pennies; it is downstate that is spending the money.

Chairman Crandall referred to Governor Cuomo's State-of-the-State Address and indicated it would be interesting to see where it lands. We should do anything we can by resolution and letter writing to join Chris Collins and Sullivan County in these suggested reforms. There is power in numbers, and NYSAC and InterCounty have a larger voice. New York State is in a do or die situation.

Concerns, Initiatives and Objectives for 2011-12

Legislator David Pullen distributed a list of concerns, initiatives and objectives that he has for 2011 and 2012 as follows:

1. Find a way to begin construction of infrastructure facilities (water, sewer, etc.) at the Crossroads Area and County Road 20.
2. Successfully conclude construction of the Courthouse addition and renovations at the existing Courthouse.
3. Install streetlights at I-86 Interchanges that have services available to meet needs of travelers. At present this would include Cuba, Friendship, Belvidere, Angelica and Almond.
4. Maintain and exchange budgetary controls so the Board can significantly reduce taxes for the 2012 budget. If possible, Mr. Pullen would like to see the tax rate reduced by \$1.
5. Successfully conclude contract negotiations with all of the County Public Employee Unions.
6. Significantly increase employment opportunities, and significantly reduce unemployment for Allegany County residents.
7. Work with all communication service providers to make high quality, reliable, cost effective communication services available to all County residents and businesses. This would include telephone, internet and data transmission services.
8. Pursue efforts to find ways for local communities to cooperate, collaborate, and share services. This could include possible County participation in such program consolidation.
9. Look for ways to reduce County personnel levels through position consolidation and increased efficiency.
10. Initiate study of ways to cut government services that are presently provided by the County. This is based upon the reality that we must cut services if we want to achieve significant reductions in taxes and spending.

11. Look for ways to enhance tourism and recreational services within Allegany County. This is a likely way to support local businesses and increase employment and sales tax revenue.
12. Work with other counties to find ways to address excessive real property tax exemptions for not-for-profit organizations that essentially perform private business functions. This could help other “for profit” businesses and also increase tax revenue, or reduce tax rates.
13. Address parking issues at Courthouse and County Office Building area. As part of this issue we need to determine the long term use of the two properties that were purchased on Court Street in Belmont.
14. Investigate lower cost ways of providing ballots for the Board of Elections to use during the various elections. Mr. Pullen understands that there is software and equipment available to permit our Board of Elections to print our own ballots at a fraction of the cost of having them printed by an outside vendor.
15. Continue work on space needs issues. One possibility is to locate the Department of Motor Vehicles in the current Support Collection Unit Building rather than in the current Surrogate Court space. This would save having all customers of DMV go through the security screening process every time they come to the DMV Office. Also finalize other space issues involving the Courthouse and County Office Building.
16. Adopt a long-term plan for landfill closure and alternative disposal methods. Also, publicize and implement new charging procedures. This is something that touches many residents, and that they really don’t understand.
- 17.

Adjournment

A motion was made by Legislator Graves, 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**

June 13, 2011

**** APPROVED ****

Legislators Present: G. Benson, D. Burdick, D. Cady, C. Crandall, P. Curran, D. Fanton, K. Graves, M. Healy, T. Hopkins, K. LaForge, A. McGraw, T. O’Grady, D. Pullen, F. Sinclair, N. Ungermann

Others Present: M. Alger, A. Finnemore, J. Margeson, T. Miner, B. Riehle, S. Torrey, R. Whitney;
Media: B. Quinn, Wellsville Daily Reporter; J. Cole and D. Roorbach, Olean Times Herald

Call to Order: Chairman Curtis W. Crandall called the meeting to order at 3:08 p.m.

SEQR FOR AGRICULTURAL DISTRICT NO. 3 MODIFICATION AND CONTINUATION:

The NYS Department of Agriculture and Markets State Environmental Quality Review (SEQR) Short Environmental Assessment for Unlisted Actions Only was completed for Allegany County Agricultural District No. 3 modification and continuation. County Attorney Thomas Miner noted that a resolution was adopted at today’s Board meeting setting the date for a public hearing on the Agricultural District, and this SEQR looks at the environmental aspect of the action. The Planning and Economic Development Committee will look at the matter on June 15, and the public hearing will be held at the next Board of Legislators’ meeting on June 27 after which they will consider approval of modification and continuation of the district. The SEQR was prepared by the Soil & Water Conservation Office. Because the County is designated lead agency, this committee will review the Short Environmental Assessment Form (copy attached to original minutes). Mr. Miner read through the form, line by line, giving an opportunity for comments and questions. (Comments are indicated below, including the section they pertain to.)

PART I – PROJECT INFORMATION

“No. 5 – If this application involves a modification, will such modification result in a change in the size of the district? – Yes, an increase of 6,251 acres.” Legislator Ungermann asked if the increased acreage was mostly woodlands. Soil & Water Conservation District Executive Director Scott Torrey responded that it’s hard to determine, because a person may have farmland and woodland on his property. There’s no breakdown of agricultural and woodland acreage in the report. Mr. Ungermann wondered if land owned by “weekenders” for recreation was appropriate for inclusion in an agricultural district if it’s not open farmland and capable of being farmed, as there is a property tax benefit associated with ag districts. Mr. Torrey noted that agricultural assessments don’t automatically apply to the entire agricultural district. They are separate issues. Just being in the agricultural district doesn’t guarantee the agricultural assessment. Legislator Hopkins explained that there’s an annual application required for an agricultural assessment, and it only applies on agricultural land that is being worked, not on woodlots. Mr. Miner remarked that the questions were good ones for the approval process, but not related to the environmental impact issues being considered at this meeting.

“No. 6 – Zoning and Planning Information – Does the agricultural district correspond with a town(s)’ zoning district? – No.” Mr. Miner stated that the “No” needs to be changed to “Yes.” Some areas in the district do have zoning. They’re already zoned for agriculture, so there’s no conflict, but this answer does need to be changed to “Yes.”

“If Yes, please cite the applicable zoning districts(s),” the answer should indicate “the Village of Almond and the Village of Canaseraga.”

“Is/are the zoned district(s) within the modified agricultural district compatible with the goals and objectives of the Agricultural Districts Law, as set forth in Article 25-AA of the Agriculture and Markets Law? – No.” Mr. Miner stated that the “No” needs to be changed to “Yes.”

“If Yes, please cite the applicable language.” Mr. Miner noted that he would get copies of the actual laws from those municipalities.

“No. 8 – Is there a public controversy related to this district proposal? – No.” It was decided to leave this answer at “No,” as there were no comments made during the first public hearing held on May 23, 2011.

PART II – ENVIRONMENTAL ASSESSMENT

“C – Could action result in any adverse effects associated with the following: C1 – Existing air quality, surface or groundwater quality or quantity, noise levels, existing traffic patterns, solid waste production or disposal, potential for erosion, drainage or flooding problems? – No.” Mr. Miner noted that the proposed answer is “No.” This is simply the expansion of an already established district. Chairman Crandall noted that it was clarified that this action is not an issue of land use or activity beyond the expansion of the district.

“E – Is there, or is there likely to be, controversy related to potential adverse environmental impacts? – No.” Mr. Miner noted that this action is maintaining the status quo of the properties.

PART IV – DETERMINATION OF SIGNIFICANCE

Mr. Miner stated that we have identified no adverse effects in Part II of this Environmental Assessment Form. Based upon that, he recommended requesting a resolution making a determination of no significant environmental impact.

Legislator Sinclair referred to his experience with agricultural districts and planning and noted that there were no major roads, major pipelines, or transmission lines that would be affected by the continuance or increase in acreage of this district. The only project he knows of is a small sewer line in Swain that may be extended into Canaseraga crossing farmland, but as long as it's put in deep enough and doesn't affect farming operations, there's no conflict there. The report of the Agricultural & Farmland Protection Board was well written, it's a very solid agricultural district, and the assessment is a fair one. (The report will be reviewed at the Planning and Economic Development Committee meeting on June 15.)

County Attorney Miner noted that an environmental impact that would raise a red flag (not seen here) would be something like a major feed lot with substantial run off. Nothing like that is projected. It's really just a matter of typical agricultural uses. Chairman Crandall commented that even that falls back to the general information where it says that the land use, activity, and management is not what's being addressed here. That would be a separate issue.

Legislator Healy questioned restrictions for oil or gas operations in the district. Mr. Sinclair responded that there would be no more or less restrictions than normal. When installations of transmission lines or a well-head are placed in an agricultural district, there are requirements through Ag & Markets to restore the property and bury lines deep enough to have no effect.

Mr. Miner noted that if communities wanted to adopt zoning and change the character of the agricultural land to residential, that may be a problem, but they're not doing that.

A motion was made by Legislator Hopkins, seconded by Legislator Graves and carried to sponsor a resolution approving the determination of no significant environmental impact for Allegany County Agricultural District No. 3 modification and continuation. PREPARE RESOLUTION

Adjournment: A motion was made by Legislator Pullen, seconded by Legislator Curran and carried to adjourn the meeting at 3:27 p.m.

Respectfully submitted,
Adele Finnemore, Journal Clerk

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

AUGUST 22, 2011

**** APPROVED ****

LEGISLATORS PRESENT: Chairman C. Crandall, G. Benson, D. Burdick, D. Cady, P. Curran, D. Fanton, K. Graves, M. Healy, T. Hopkins, K. LaForge, A. McGraw, T. O'Grady, D. Pullen, F. Sinclair, N. Ungermann

OTHERS PRESENT: M. Alger, A. Finnemore, J. Margeson, B. Riehle

CALL TO ORDER: Chairman Curtis Crandall called the meeting to order at 3:25 p.m.

EXECUTIVE SESSION:

A motion was made by Legislator LaForge, seconded by Legislator Graves and carried to enter into executive session at 3:25 p.m. to discuss the employment history of particular employees within the Section IV Salary Plan. Immediately following discussion, at approximately 4:15 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.

ADJOURNMENT: A motion was made by Legislator Fanton, seconded by Legislator Graves and carried to adjourn the meeting at approximately 4:15 p.m.

Respectfully submitted,
Adele Finnemore, Journal Clerk

**ALLEGANY COUNTY BOARD OF LEGISLATORS
COMMITTEE OF THE WHOLE
SEPTEMBER 12, 2011**

**** APPROVED ****

LEGISLATORS PRESENT: Chairman C. Crandall, G. Benson, D. Burdick, D. Cady, P. Curran, D. Fanton, K. Graves, M. Healy, T. Hopkins, K. LaForge, T. O'Grady, D. Pullen, F. Sinclair, N. Ungermann; **ABSENT:** A. McGraw

OTHERS PRESENT: M. Alger, A. Finnemore, J. Margeson, B. Riehle

CALL TO ORDER: Chairman Curtis Crandall called the meeting to order at 3:05 p.m.

EXECUTIVE SESSION:

A motion was made by Legislator Graves, seconded by Legislator Curran and carried to enter into executive session at 3:05 p.m. to discuss the employment history of particular employees within the Section IV Salary Plan. Immediately following discussion, at 3:48 p.m. a motion was made by Legislator Graves, seconded by Legislator Curran and carried to end the executive session and return to the regular meeting.

2012 SECTION IV SALARIES:

A motion was made by Legislator Pullen, seconded by Legislator O'Grady and carried by a voice vote for the Clerk of the Board to notify all Department Heads of changes in their 2012 salaries, and to begin making arrangements so the necessary local law can be adopted.

ADJOURNMENT: A motion was made by Legislator Fanton, seconded by Legislator Ungermann and carried to adjourn the meeting at 4:51 p.m.

Respectfully submitted,
Adele Finnemore, Journal Clerk

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

SEPTEMBER 26, 2011

**** APPROVED ****

LEGISLATORS PRESENT: Chairman C. Crandall, G. Benson, D. Burdick, D. Cady, D. Fanton, K. Graves, M. Healy, T. Hopkins, K. LaForge, A. McGraw, T. O'Grady, D. Pullen, F. Sinclair, N. Ungermann; **ABSENT:** P. Curran

CALL TO ORDER: Chairman Curtis Crandall called the meeting to order at 2:55 p.m.

EXECUTIVE SESSION:

A motion was made by Legislator Burdick, seconded by Legislator O'Grady and carried to enter into executive session at 2:55 p.m. to discuss the employment history of particular employees within the Section IV Salary Plan. Immediately following discussion, at 3:43 p.m. a motion was made by Legislator O'Grady, seconded by Legislator Healy and carried to end the executive session and return to the regular meeting.

ADJOURNMENT: A motion was made by Legislator Ungermann, seconded by Legislator Pullen and carried to adjourn the meeting at 3:43 p.m.

Respectfully submitted,
Brenda Rigby Riehle, Clerk of the Board

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

October 11, 2011

**** APPROVED ****

LEGISLATORS PRESENT: Chairman C. Crandall, G. Benson, D. Burdick, D. Cady, P. Curran, D. Fanton, K. Graves, M. Healy, T. Hopkins, K. LaForge, T. O'Grady, D. Pullen, F. Sinclair, N. Ungermann; **ABSENT:** A. McGraw

CALL TO ORDER: Chairman Curtis Crandall called the meeting to order at 12:35 p.m.

EXECUTIVE SESSION:

A motion was made by Legislator Sinclair, seconded by Legislator LaForge and carried to enter into executive session at 12:37 p.m. to discuss the employment history of a particular employee within the Section IV Salary Plan. Immediately following discussion, at 1:07 p.m. a motion was made by Legislator LaForge, 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 Graves, seconded by Legislator Burdick and carried to adjourn the meeting at 1:07 p.m.

Respectfully submitted,
Brenda Rigby Riehle, Clerk of the Board

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

October 24, 2011

**** APPROVED****

LEGISLATORS PRESENT: Chairman C. Crandall, G. Benson, D. Burdick, P. Curran, D. Fanton, K. Graves, M. Healy, T. Hopkins, D. Pullen, F. Sinclair; **ABSENT:** D. Cady, K. LaForge, A. McGraw, T. O'Grady, N. Ungermann

OTHERS PRESENT: M. Alger, A. Finne more, J. Margeson, T. Miner, B. Riehle, T. Ross

CALL TO ORDER: Chairman Curtis Crandall called the meeting to order at 9:05 a.m.

2012 COUNTY TENTATIVE BUDGET REVIEW:

Chairman Crandall stated the purpose of the meeting was to review the 2012 County Tentative Budget. Any changes to the Tentative Budget will require a resolution prior to adoption of the final Budget, which is scheduled for the Board meeting on November 28. Chairman Crandall referred to the 2 percent property tax cap and the requirement to stay under that or override it. That's been affecting everyone in a big way all across the State. We're fortunate to be in a position to be able to deal with it this year, but we certainly can't sustain that for long.

County Administrator/Budget Officer John Margeson referred to a press release issued jointly by himself, Budget Committee Chairman Theodore Hopkins, and Legislative Board Chairman Curtis Crandall in late September when the Tentative Budget was officially released. Mr. Margeson noted that the 2012 Tentative Budget calls for total expenditures of approximately \$10 million less than the 2011 Budget. The total expenditures for 2011 were a little over \$123 million, and the 2012 Tentative Budget calls for total expenditures just over \$113 million. That \$10 million reduction is essentially just one line item in the Social Services budget resulting from direction from the federal government on how to book appropriation and revenue for food stamps. That program is 100 percent federally funded, so although the appropriation was removed from the Budget, the revenue has been reduced also by that same \$10 million amount.

Mr. Margeson explained that the department heads submitted their budget requests in early July, and throughout August and September, he and County Treasurer/Deputy Budget Officer Terri Ross identified more than \$5 million that was either cut out of department head requests or made up as the result of upward adjustments in revenue. Those cuts got us down to about \$114.8 million. Some of the cuts were fairly severe. The departments hardest hit were Sheriff, E-911 Dispatch, and Public Works. Social Services appropriations were also reduced by about \$250,000 net County money, which translated to a \$500,000 cut in gross expenses. Additional revenues were also found in the Social Services budget.

Mr. Margeson remarked on the 2 percent property tax cap. Based on the property tax levy that we instituted in order to balance the 2011 Budget, the 2 percent tax cap allows for an additional increase in the County property tax levy of no more than \$716,000. As a result, after cutting appropriations and increasing revenues as much as they felt they could, to get down below the tax cap amount, Mr. Margeson is recommending pulling \$1.62 million from fund balance. The Budget is actually calling for the raising of \$28,219,857 in property tax, which is a little over \$700,000 more than was raised in 2011. Also, there was an increase of nearly \$75 million in County taxable assessed value from 2011 to 2012. The Tentative Budget calls for a decrease in the average

County tax rate of 2 cents per thousand of assessed value. The average County tax rate in 2011 was \$16.90; based on the 2012 Tentative Budget, we're looking at an average tax rate of \$16.88.

Legislator Sinclair referred to the figures on the bottom of the "Summary of 2012 Budget" page in the Tentative Budget: (.02) increase in tax rate per thousand, and 2.52 percent increase in tax levy, and questioned which one applies to the State property tax cap. Mr. Margeson explained that it was the tax levy figure, and although it appears to be over the 2 percent, the County goes by a formula that the State put together that includes some exemptions that allow us to go over the 2 percent. One is due to the tremendous increase in the cost of retirement and another involves payment of pilots for which the County receives payment in lieu of taxes for projects funded by the IDA. The 2.52 percent increase in tax levy meets the tax cap requirement. We actually could have gone up to 2.6 percent, mostly due to the retirement system bill. Legislator Hopkins remarked that there will be a lot of questions in the Comptroller's Office when most of the counties will be over 2 percent, but people have to realize what it is and how we got there. Our County's cap is actually 2.6 percent to comply with the requirements of the tax cap.

Legislator Fanton asked about the actual dollar amount of the increase in the retirement system bill over last year. Ms. Ross explained that of the 2.6 percent increase, the .6 percent is based on salary projection done by the State, not on the bill amount. The retirement bill went from \$3,048,000 for 2011 to an estimated \$3,700,000 for 2012, an increase of about \$652,000. The .6 percent that we were allowed, in addition to the 2 percent, amounts to \$118,000. Legislator Sinclair asked if the early retirement incentive payment had been made yet, and Ms. Ross replied that it is due December 15 and has been budgeted for.

Chairman Crandall remarked that with the formula for what's been dubbed the 2 percent tax cap, which technically isn't 2 percent; the number to know is actually the \$716,000 that we were allowed to increase the tax levy.

Legislator Sinclair asked if it is safe to say that the \$1.62 million from fund balance recommended to be used for the 2012 Budget is approximately equal to what we will probably gain this year in fund balance, so there's no real net loss. Mr. Margeson responded that is true in his estimation. If we end 2011 with at least a \$1.6 million surplus, we'll reinstate \$1.6 million into the fund balance to make up the \$1.6 million we took out to balance the Budget for 2012.

Legislator Pullen noted that if you multiply this year's retirement bill of \$3,048,000 by 2 percent, the result is \$60,960. As the County Treasurer noted, the increase is based on a percentage of salary, not really a dollar figure. Everybody says 2 percent, but you're allowed to claim anything over 2 percent. In his calculation on the retirement bill, we could claim everything over the 2 percent figure of \$60,960. The increase from the \$3,048,000 for 2011 to the \$3,700,000 for 2012 is \$652,000, so really, though they will allow us to claim a portion of that, they're using a different number that has nothing to do with the amount of our levy or the additional amount we're having to pay. Ms. Ross responded that the State came up with the 2.6 percent, because that's the difference between what we're paying for retirement in December, which really would be February 2012, at 16.3 percent of salary and the increase to 18.9 percent for February 2013. That's all based on salaries, and it's an overall average the State told us to use. They said we can take .6 percent of that multiplied by the salaries and that's what we could add to the cap. Legislator Pullen commented that when you apply that as to what it did, our total additional payment for pension is \$652,000, but if you look back, we're not given back everything over the 2 percent or the \$60,960. We would have to find about \$590,000 from other sources, and they've only allowed us \$118,000 of an increase in our cap. The State is playing games with the numbers. They could look at the cap amount and it would just be a number of dollars you're raising, but we're actually having to raise \$652,000 of expense, which is about 90 percent of that \$716,000 tax cap increase, going to pay pension. Chairman Crandall noted that you could use that same argument with the Medicaid increase that was capped at 3 percent annually, or about \$300,000 for us. That takes you about half way to our 2

percent tax cap in that one line item alone. There are a number of mandated programs that put us way above that \$716,000. Legislator Graves remarked that on these entitlement programs, when this all first came out, there was an increase in state spending of some \$300 million. The counties have had to deal with the 2 percent cap, and he feels we've done a good job in absorbing that, but we can't continue to.

There were questions on the Contingent Account, and Mr. Margeson stated that he was comfortable with the \$750,000 budgeted for that line item. The 2011 Budget also included \$750,000, and there is approximately \$262,000 left. Legislator Sinclair noted that there shouldn't be as many building project related items coming out of that account next year, and Mr. Margeson also pointed out that he took about \$230,000 from Contingent this year for the Pingrey Hill Tower.

Legislator Burdick asked if any new positions were included in the 2012 Budget, and Mr. Margeson replied that there are: the 2nd Assistant Public Defender and the Clerk of the Board's Part-Time Assistant Journal Clerk/Minute Taker. With the addition of an Assistant Public Defender, there will be a corresponding decrease in Assigned Counsel costs, because the new Assistant will be handling appeals related to child support that are now handled by Assigned Counsel.

Recently, in a Budget Committee meeting, Chairman Crandall requested information on increases or reductions overall in the number of County positions. Deputy County Administrator Mitchell Alger researched back to 2007, and over the past four years, there's been a reduction of 29.5 positions. That's an important number to know, especially when we're hearing news from other counties on staff reductions.

Mr. Margeson summarized the cuts referred to earlier in the Sheriff, E-911 Dispatch, and Public Works accounts. Under the Sheriff: one vehicle, possibly two were cut; and .1 Personnel Services expenses were reduced, as he felt they were over-budgeted. Under E-911 Dispatch: a recorder for incoming 911 calls was included in the budget request, but Mr. Margeson is recommending purchasing that this year with funds coming from Contingent; also cut was \$125,000, representing 25 percent of the cost for new CAD software, which he is recommending putting off. Under Public Works: \$300,000 for a Gradall was cut; one town bridge was taken out; and some road stabilization projects were taken out, with the \$500,000 funding for those to be taken out of Hazard Mitigation instead. Under Landfill Closure, Mr. Margeson left in \$150,000.

The Solid Waste Special Reserve was discussed (page 55 and 57 of the Budget). Mr. Margeson explained that the Reserve was set up years ago to cover landfill closure expenses. There was \$2.5 million allocated for Phase II in 2011. There is a balance of \$220,000 in the Reserve Account, with another \$150,000 budgeted for 2012. Legislator Fanton explained there are two cells to be capped next year. A bid for \$2.2 million was rejected, and the project was put off, to be re-bid in the spring. Legislator Fanton noted that money will have to be pulled from somewhere to supplement the Reserve, because we haven't been adding to the fund on a regular basis over the past ten years. Within the next six to seven years, we'll have to cap the last three cells. Chairman Crandall pointed out that the landfill will be full within four to five years. Legislator Burdick stated that if any funds left over from the construction of the Maintenance Building were planned for the elevator project in the County Office Building, they should be put in the Landfill Closure Reserve Fund instead. We need to look forward.

Legislator Graves commented on the fact that the 2 percent property tax cap will be in existence until 2016, and we need to have a plan from this budget forward for how to meet that. This Board has done a good job, and we have a surplus. The media is full of cuts and reductions made in other counties around us. We've kept our head above water, but we need to talk about how this will link into the next few years. Mr. Margeson stated that the picture is ugly. Unless there is significant relief from Albany regarding these mandates, we'll be looking at significant curtailment of

services and layoffs as early as the 2013 budget. There is no way around it, other than burning through the surplus at a much more accelerated rate than is prudent.

County debt was discussed. Legislator Burdick pointed out that we're close to \$38 million in debt, and we'll be adding more with the landfill closure. Mr. Margeson referred to the Statement of Debt (page 56) and noted that of the five issues, three will be retired after 2016. The mortgage for the Jail is paid through the federal inmate revenue. When asked if there is any advantage to paying any of it off early, Ms. Ross noted that they look on a regular basis to see if there's any benefit in paying them off. Mr. Fanton commented that when we get ready to cap the landfill, we'll be making about \$1.2 million less in payments already, to either apply toward the cost, or at least to prevent having to borrow as much. The key is not to borrow any more money.

Chairman Crandall noted that it would be good to have information put together on the total cost and increases for the mandated programs for Allegany County's 2012 Budget in real dollars and percentages, and how much it goes over the \$716,000 that we're allowed to increase the tax levy by. As with the staffing reduction numbers mentioned earlier, this is good information to have prior to the public hearing on the Budget, to illustrate that we have zero control over these dollars, yet we're held to the \$716,000. Mr. Margeson will prepare that information.

Chairman Crandall remarked that he doesn't believe the 2 percent tax cap will continue to the end without some type of mandate relief from Albany. Something has to give. Allegany County is fortunate for the shape that we're in, but shame on New York for taking this \$1.6 million and not allowing us to budget and operate our finances as we see fit. There are a lot of counties across the state without the cushion that we have to ride through a year or two of this. Ms. Ross reported that she just received updated guidelines on the cap, and the State is already changing what we can put in and what counties have to put in. On our levy, we have a budget levy, and then we have things that we add in to charge the towns, such as Worker's Compensation and printing of their tax bills. Now they've decided that we need to incorporate that into our 2 percent. So that cap calculation is subject to change. We're about \$23,000 below the cap right now. Ms. Ross noted that we may have to direct bill for those issues, rather than adding them to the levy from the towns, then the towns would all have to modify theirs. We can adjust it right up to adoption of the Budget. The problem is that the towns have to have their budget hearings before ours, and the 15th is when they have to adopt their budgets. Anything we do after the Budget Hearing will be something they have no time to deflect. Ms. Ross noted that the County doesn't charge back for Community College expenses, and that's a million dollar swing for us. We direct bill for elections costs, so that's not an issue for our County. Chairman Crandall commented that this cap forces these types of things to be looked at and adjustments to be made that put this Board in a bad position with our towns.

Legislator Hopkins pointed out that when working on the Budget, we did have the choice to go over the cap, although it wouldn't have been popular. It was the unknowns of the whole thing, and we still don't know how the charge backs will be. Also, we were in a position where we could use some of our surplus. Other counties are in much worse shape than we are. As we look to the future in working on the next couple of budgets, we should prepare for the worst and hope for the best. We've tightened the belt, and there's not a lot of wiggle room in this Budget. We'll get through it, but something does have to happen. There's talk about all the huge problems being experienced downstate where they didn't have problems before, so something will happen because they have the political power in Albany.

Chairman Crandall listed a couple of positive things that the Board could do. A tax cap override was mentioned, and the time to discuss that is right after the first of the year, early on, with the unknowns that are there. Another thing is working on the 2013 Budget and estimating some of the figures that are driving that formula, to get some projections in early, earlier than we normally start working on the next year's budget. We've talked about a two-year budget process. There are things like that that can be done to prepare a little farther ahead. We've got a good Budget

Committee and a good handle on the budget process as a year-round process, rather than waiting until the eleventh hour to make decisions. It could be stretched some more to get an earlier start.

Legislator Pullen questioned health insurance and the changes negotiated in union contracts. Are there any projections on how that will affect us in the coming years? Mr. Margeson replied that he can do the financial projections, but clearly, when we went to Option 1, it had a positive effect on health insurance expenses. Also, when we migrated to Blue Cross Blue Shield and contracted with them as our plan administrator, it had a positive financial impact on the plan. The changes made in recent contract negotiations whereby significantly more people will be contributing to the cost of their health insurance will also have a positive effect on that fund. Mr. Margeson is waiting to see how much additional revenue the County does experience from the increased contributions coming from more members. That will be telling for putting together the 2013 Budget, particularly for that Self-Insured Fund. That's one of the bright spots in the Budget, the fact that as a result of action taken by the Board, we're starting to get some control over the cost of providing healthcare for our employees. Legislator Pullen pointed out that for most healthcare plans, costs are going up 15-18 percent annually, and we have not seen that as a self-insured plan. Mr. Margeson noted that has had the most significant impact on our budget in the last three to four years, more so than anything else.

Chairman Crandall noted that health insurance cost increases used to be a hot topic. Another one was overtime costs in the Sheriff's budget. One of the adjustments made by the Budget Officer, mentioned at the beginning of the meeting, was a decrease in the Sheriff's Personnel Services Accounts. For so many years, it was going the other way. The department was under-budgeted, and we had no control over wild overtime costs. We were running \$800,000 per year in the hole for Jail .1 costs. Those were hot issues at one time, but they've been addressed. We have an array of new problems, but it's good to know there's a few off the front burner.

Legislator Sinclair suggested discussion should take place, while things are still fairly stable, on how we could proceed, without actually shutting down, if the economy gets really bad, such as freezing filling of positions and salaries, and reductions in levels of services. Legislator Fanton pointed out that if the economy gets really bad, the things that we could do something about will need a lot more of our services than they do now. The things that are not mandated will see an up-kick just like we've had in the Safety Net for Singles. Those programs that aren't mandated will get a lot more use than we've seen so far if the economy does go bad, because it'll be tougher to deal with. Legislator Burdick also noted that revenues will be affected because sales tax will go down and people won't be able to pay their property taxes. Legislator Pullen commented that you have to be careful when considering layoffs; that's not all gain. We don't insure for unemployment; we have to pay that. Our cost for many employees would be two-thirds their salary for up to 99 weeks. There are a number of programs with state and federal revenues where our contribution is less than that 66 percent, and if we're not administering the program, we lose the revenue. Potentially, we could lay off some people and have our expenses go up. Legislator Sinclair also noted that critical issues arise that may require additional staff or overtime costs, and he hoped that a knee-jerk reaction of a complete hiring freeze doesn't become the mode.

Fuel farms and purchasing in bulk when prices are down were discussed as a way to protect against spikes in fuel costs. It was noted that we don't have the facility, because the County's tank was never upgraded. The market is also unpredictable. The possibility of a County-wide fuel farm was mentioned. Maybe NYSAC has something to indicate what other counties are doing. There was also some discussion on NYSERDA grants for new technology for basic in-house energy usage. Chairman Crandall noted that these are some things that can be looked at after the first of the year in a special Committee of the Whole meeting.

ADJOURNMENT: A motion was made by Legislator Fanton, seconded by Legislator Graves and carried to adjourn the meeting at 10:40 a.m.

Respectfully submitted,
Adele Finnemore, Journal Clerk/Deputy Clerk of the Board

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

November 28, 2011

**** APPROVED ****

LEGISLATORS PRESENT: Chairman C. Crandall, G. Benson, D. Burdick, D. Cady, P. Curran, D. Fanton, K. Graves, M. Healy, T. Hopkins, K. LaForge, A. McGraw, T. O'Grady, D. Pullen, F. Sinclair, N. Ungermann

CALL TO ORDER: Chairman Curtis Crandall called the meeting to order at 2:53 p.m. for the purpose of discussing 2012 salary adjustments for non-unit employees.

EXECUTIVE SESSION:

A motion was made by Legislator Fanton, seconded by Legislator Hopkins and carried to enter into executive session at 2:54 p.m. to discuss the employment history of particular employees. Immediately following discussion, at 3:20 p.m. a motion was made by Legislator Graves, seconded by Legislator Cady and carried to end the executive session and return to the regular meeting.

2012 SALARIES FOR NON-UNIT EMPLOYEES:

A motion was made by Legislator Healy, seconded by Legislator O'Grady and carried to implement a 2.25 percent salary increase for 2012 for County employees whose titles are in the Non-Unit Salary Plan. **Prepare Resolution**

ADJOURNMENT: A motion was made by Legislator Graves, seconded by Legislator Pullen and carried to adjourn the meeting at 3:20 p.m.

Respectfully submitted,
Adele Finnemore, Deputy Clerk of the Board