

## LAW AND BUDGET FINANCE BUDGET HEARING

NOVEMBER 10, 2008 – 5:00 P.M.

Present: Chairman A. Johnson; Supervisors Daly, Grattidge, Hunter, Thompson, Veitch, Hargrave and Sausville; David Wickerham, County Administrator; Spencer Hellwig, Mgmt. Analyst; Michele Brown, Nancy Bambara, Eric Catalano, Rowing Association; Mark Baker, City Center Saratoga Springs; Marti Burnley, CAPTAIN; Mark Taylor, Civic Center of Moreau; Press.

Chairman Johnson called the meeting to order and welcomed all in attendance.

Mr. Wickerham cited the following rules for approving the amendments to the 2009 Budget.

1. The Law and Finance Committee will review all requests for budget amendments during their Budget Hearings, and will not vote on those amendments until all presentations have been made.
2. Each member of the Law and Finance Committee and the Chairman of the Board shall have one vote. For an amendment to the budget to be approved, it must receive the affirmative vote of at least four committee members and win a majority of the members voting. Members may not cast a vote unless they were present for the discussion or have reviewed a transcript of the proceedings. If a member was present for the discussion but is unable to stay for the actual vote, he or she may leave a sealed vote to be cast by the Chairman.
3. The Tentative budget, along with the amendments approved at the Law and Finance hearing, will be presented to the full Board of Supervisors at the Friday Workshop meeting on November 14<sup>th</sup> at 2:00 p.m. Any changes to the document will require action by a majority of the weighted vote of the entire Board (100,318 votes).
4. The 2009 Tentative Budget, as amended at the Friday Workshop and the Law and Finance Hearings, will be presented to the public at a public hearing on December 3<sup>rd</sup> at 5:30 p.m. in the County Board room.

**A motion was made by Mr. Hargrave, seconded by Mr. Thompson to approve the rules for amending the 2009 budget as stated above. Unanimous.**

Mr. Wickerham gave a brief overview of the tentative budget as follows:

The tentative budget totaled just under \$240.4 million with eight separate funds. The General Fund, which generates the tax levy, totals approximately \$178.4 million and is balanced with just over \$2.8 million from the fund balance. Expenses have generally

increased by 3.6% over last years adopted budget, in reality it is approximately a ½% increase in the budget as it has been amended. The projected opening fund balance as of January 1, 2009 will be just under \$30 million. The averaged equalized tax rate will continue to be \$2.15 ½ per thousand.

The largest single expenditure continues to be Medicaid at \$24.4 million, not counting the IGT transfers, which is approximately a 3.6% increase over 2007 and proof that the soft cap on Medicaid is having some impact. It is not pleasant that 10% of the budget is that one item, but at least the rate of increases has slowed down from the double-digit years.

While more than 75% of the budget is mandated in one form or another, there are three hard mandates that require the most attention. In addition to Social Services costs the county will spend \$16.9 million on the education of pre-school handicapped children and \$7.8 million on community college tuition. The effect of those three big unfunded mandates totals \$45.2 million or approximately 92% of the property tax levy.

The capital budget is just under \$10 million with the largest appropriation being the road and bridge program at \$6.7 million. The expenses there were trimmed by approximately \$500,000 with the innovative use of some new surface treatments that Mr. Ritchey will be trying this year.

There are no additional funds set aside for the Animal Shelter as sufficient funds were set aside last year in order to get through the design phase. The Board of Supervisors will likely take a note to finance the construction phase in 2009. For the first time in several years there will be funding for debt service to cover the cost of tower erection for the microwave communications project. There is no money in this budget for the county water authority. While the county has agreed to underwrite their bonding costs and unfunded operation and maintenance costs with a short-term loan if necessary, so far the authority has been totally self-sufficient. As the Foundry Company becomes operational and more municipalities look to the water authority for future needs, it is conceivable that the county will never have to make a loan.

Sales tax revenue has been unpredictable over the past several years; therefore, the county has been very conservative budgeting only a 2% increase for 2009. The current economic situation in the country and the lack of transparency in the collection of sales tax revenue by the State is of great concern. The \$52 million in sales tax for budgeting represents 22% of all county revenues. The county has budgeted \$1.3 million for VLT revenues, even though it is recognized that the Governor may try to strip that revenue away in the upcoming budget. The funding can't be taken away without an act of the legislature, therefore the county will be asking the legislative delegation to protect the county and the City of Saratoga Springs.

For the first time in decades the State of New York is the undisputed owner of the Saratoga Racecourse. While we have been assured that there will be no reduction in our authority to levy an admissions tax, receive real property tax and continue to collect the

OTB surcharge we have yet to see legislation that clarifies the situation, therefore, the \$2 million in racing revenue must be considered at risk.

We have tried to account for every possible contingency in the budget, but we have never been in more uncertain economic times. In the space of 12 short months we have seen the stock market rise to dizzying heights and lose nearly half of its value. Gas prices spiked to more than \$4 a gallon and today it is as low as \$2.39. Even the immediate unemployment situation is muddled with area employers retrenching even as construction jobs relative to the construction of the chip fab plant promise to keep all of our skilled trades and personnel completely busy for some time in the future.

Traditionally, when there is a slump in the economy we can expect to experience additional costs in home relief and other welfare programs. Perhaps, more importantly, the projected \$12 billion shortfall in the State budget is being dealt with within the next two months. The State has had a habit of sharing that pain and has balanced their budgets on the backs of the local governments before. We will join NYSAC in lobbying against cost shifting due to the imposition or extension of unfunded mandates.

The 2009-2010 budget process will probably be the most critical thing to deal with in the county budget in the coming year.

Chairman Johnson said there are four requests for outside funding. Mr. Hellwig gave a brief overview as follows:

CAPTAIN is asking for \$26,600 - currently they have a teen talk helpline that serves the Shenenedehowa School District. This year they received additional funding from the State and have expanded the program to include the Ballston Spa School District. The money they are requesting will be used to expand the program further to include other school districts within the county.

Civic Center in Moreau is asking for \$50,000 – they are currently in the process of constructing a new Regional Community Center. As part of the larger project they are requesting \$50,000 to be used for a youth center within the facility to include educational and recreational programs.

Saratoga Springs City Center is asking for \$58,000 - In 2007 a 25-year pilot agreement that was based on the property taxes assessed value of the hotel expired. The pilot payment was comprised of the school and city property taxes used as an operating subsidy for that authority. The City Center is asking for the county to provide an annual subsidy for not just 2009, but for all future years beyond 2009 based on the assessed value of the total hotel property. The purpose for the request is to purchase emergency generators.

Saratoga Rowing Association is asking for \$30,000 – This money would be used for capital improvements to the racecourse on Saratoga land, and to purchase various equipment that is required by the Scholastic Rowing Association of America. This

organization is the parent organization of the National Regatta for high school students. The Rowing Association has already invested approximately \$40,000 of their own funds.

Mr. Thompson asked for clarification on the request from Saratoga Springs City Center with regard to their request for years of funding? Mr. Hellwig said in the application it speaks of ongoing funding on an annual basis. The application that was provided only shows what they will do with the money in 2009. The question needs to be asked what they will be doing with the funds in future years, he said.

Mr. Johnson said the City Center would be opened as an emergency shelter and the generators would be used for power outages

Marti Burnley- Director of Programs for CAPTAIN – (\$26,600) The Teen Talk Helpline has been operating for a couple of decades and up until last year was exclusively operated with the Shenendehowa School system, when CAPTAIN partnered with the Ballston Spa School district and State Farm Insurance. As a result of that there have been other inquiries from other schools and CAPTAIN would like to offer this program to all schools throughout Saratoga County. The program is designed for younger teenagers and students in high school to be able to call and talk to a peer who has been trained, talking about any subject matter that is of concern to them. There is another part of the program called, phone friend, which is designed for elementary school children where they can get homework help over the phone.

Mark Taylor – Director of the Civic Center of Moreau – (\$50,000) As the only not for profit in Northern Saratoga County, last year the center served over 16,000 people. The center has very active senior programs with about 3,700 seniors enrolled. The center provides a food pantry, thrift store, nursery school, transportation program for the elderly, satellite station for most of the county services, such as food stamps and probation, before and after school latch key programs, serving 385 children. In the last seven years the center has been working diligently on trying to build new a regional community center. The cost of that center currently is approximately \$6.2 million, of which a little over \$5 million has been raised to date. Today's request is for \$50,000, which would be used for the youth center part of the program. There are absolutely no services for youth in Northern Saratoga County, he said. It is anticipated that the shelter will begin in April 2009. A HUD grant was received with the help of Kirsten Guillibrand for approximately \$200,000.

Mr. Grattidge asked how the operation of the center would be financed? Mr. Taylor said through user fees from daycare, renting out the banquet facility, and renting out the gym.

Mark Baker – Saratoga Springs City Center – (\$58,000) – With support from former Senator Bruno the City Center was able to secure \$12 million to go forward with an expansion to the City Center. The original building, which opened in 1984, did not have a generator in that part of the building. After discussions with the County office of Emergency Services it would be prudent to incorporate emergency generators within the expansion project for the purpose of allowing it to serve as a life safety in case of a power

outage. The emergency generators would come on at any point where there is a downed line or disaster.

Mr. Johnson asked Mr. Baker if he planned to come back for further requests for funding, and would those requests be for the generator? Mr. Baker said yes, it was his understanding that they could not come in and apply one time for the generator, it should be on an annual request.

Mr. Thompson asked how many more times would they be making a request? Mr. Baker said possibly three or four more times.

Mr. Wood asked if further grant sources were applied for such as homeland security? Mr. Baker said that has been investigated and homeland security is no longer funding this type of equipment.

Nancy Bambara – Saratoga Rowing Association – (\$30,000) – The Saratoga Rowing Association will be holding the High School National Regatta in the spring of 2010. This is a very large event of high school rowers that will bring approximately 3,800 athletes along with coach, parents and support staff to Saratoga Springs over Memorial Day weekend. Many items used in the last event were rented and given back to the owners. Today's request would be used to help purchase some of these items such as grandstand seating and the finish line tower.

At the 2006 Nationals Regatta 47 teams of the 146 teams that attended were tracked with their hotel reservations. In the two weeks prior to the regatta there were 2,114 rooms that were used for the four-day regatta.

Mr. Thompson asked if Saratoga Rowing had applied to Saratoga Springs for funding? Ms. Bambara said they had, but have not heard back from them yet.

Ms. Bambara said when these regattas are held it brings in approximately \$5.5 million in revenue to the Saratoga County revenue stream annually.

**On a motion made by Ms. Daly, seconded by Mr. Hargrave the meeting was adjourned to November 12<sup>th</sup> at 5:30 p.m. Unanimous**

Respectfully submitted,  
Chris Sansom