

Law and Finance Budget Hearing

November 9, 2010 –5:00 p.m.

Present: Chairman Wood; Supervisors Daly, Grattidge, A. Johnson, Sausville, Thompson, Wormuth, Southworth, Veitch, Peck, Richardson and Raymond; David Wickerham, County Administrator; Spencer Hellwig, Mgmt Analyst; Marcy. McNamara, Jack Kalinkewicz, Bob Hartman, Personnel; Barbara Plummer, Clerk of the Board; Dan Butler, Animal Shelter; Press.

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

Mr. Wood said they are in the process of working on the budget, a process that has been going on for a number of months and has involved a number of people. It is a process that we think is a very positive process because of the process of all of the parties that are involved in it. Throughout the process we focus on the goal of having no tax increase and no layoffs. Financially speaking, the county “is not out of the woods yet”, but things are beginning to get better. We remain the lowest taxed county of all the counties in the State of New York, and it is one of our goals to continue to maintain that position.

The budget includes items such as continued land preservation activities, supporting some partial funding for the Cooperative Extension Equine Program, reviewing ways that we can use technology to more efficiently operate the county and better service the residents. The budget includes \$11.6 million of capital projects and some funding for an education focus to help county youth to better understand Saratoga County Government with the ultimate goal of eventually getting them involved in county government.

Mr. Wood read the Rules for Approving Amendments to the 2011 Budget as follows:

1. The Budget Committee will review all requests for budget amendments during their 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(s), will be presented to the full Board of Supervisors at the Friday Workshop meeting on November 19th at 2:00 p.m. Any changes to that document will require action by a majority of the weighted vote of the entire board (100,318 votes).

The 2011 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 November 30th at 5:30 p.m. in the county board room.

A motion was made by Mr. Thompson, seconded by Mrs. Wormuth to approve the Rules for Amendments to the 2011 Budget as stated above. Unanimous.

Mr. Wickerham gave an overview of the budget as follows:

The tentative budget total is just over \$294 million in eight separate funds, which is approximately a 5.6% increase over the adopted 2010 budget; however that increase is somewhat misleading. Expenses in the nursing home have been relatively stable, only up about 2%. With the fund balance for the nursing home utilized last year in its entirety, and the subsidy from the county this year much larger than it was last year, it requires a \$5.8 million increase in the transfer account for the additional cost to the county for the facility.

There is also a \$4.2 million increase in the sales tax distribution. This is not a bad thing, but a good thing because what that means is that it is offset by more than an \$8 million increase in sales tax for the county. If you remove those two procedural increases, the real increase in this budget is less than 2%. The general fund, which generates the property tax, totals approximately \$231 million and is balanced with approximately \$3.1 million from the current fund balance.

It is anticipated that the fund balance on January 1, 2010 will be approximately \$24 million primarily because of a big pickup in sales tax receipts over last year. The average equalized tax rate continues to be \$2.15 ½ cents per thousand of assessed value. Based on the historic levels in growth of property tax and sales tax and expenses, it is felt that should be able to be maintained through 2012.

The largest single expenditure will continue to be Medicaid at \$24.6 million, which is approximately a 6% increase over the 2010 budget. The primary reason for the increase is due to the loss of two-thirds of the enhanced Fmap money that was part of the Presidents stimulus program. In 2012 all enhanced Fmap funding will be eliminated, so there will be a small increase over the 3% cap. That expense consumes 10% of the general fund budget and the State will be doing a lot of things next year, which may drive the costs up even more.

While more than 100% of our tax levy is mandated in one form or another, there are three hard mandates that require most of our attention. In addition to the social services costs, we will be spending \$15.3 million on the education of handicapped preschoolers and \$7.2 million on community college tuition. The net cost of the three biggest unfunded mandates is \$47 million or approximately 80% of the property tax levy. When you take into account the top nine mandates it rises to 108% of the property tax levy. If the State would simply take the fiscal responsibility for the programs that they are mandating, we

wouldn't be looking at property tax caps, we would be looking at the total elimination of the property tax in Saratoga County.

The Capital Budget is just under \$12 million with the largest appropriation for roads and bridge construction/rehabilitation at \$4.6 million. The costs were paired down in the Long-Range Capital Planning Committee by approximately \$1 million by recalculating the costs of materials used for paving, revising the equipment replacement schedule and temporarily postponing the replacement of the highway department's salt dome.

Now that the construction of the Animal Shelter is complete, we do have the associated debt service cost of \$463,000 per year and also debt service of \$2.75 million for the radio system bonds. There is also funding for the first time ever, to cover a possible third-quarter revenue shortfall of \$764,000 in the Water Authority budget. The payment is contingent upon the authority's cash flow next year, which may well be sufficient to cover all or part of that \$740,000. Under any circumstances, it has been a success for us, despite expectations that we would have to provide as much as \$4 million in subsidies for the first two years of operation. So far the Water Authority has been able to pay their bills without any county support.

Sales tax revenue has been steadily improving throughout 2010 and there is anticipation of approximately 80% growth over the \$90 million that was collected in 2009. For 2011 we budgeted \$52.3 million which represents a 5.5% increase over the anticipated 2010 total and will also provide additional money for the portions of shares to the towns and Mechanicville. We are also expecting about a ½ of 1% growth in the property tax base for 2011, which will give an additional \$200,000. This is a far cry from the annual growth that was experienced prior to 2009 when the county was averaging about 7% to 10% growth per year, but it is a nice reversal from the decline in the tax base that was experienced in 2009. Certainly the stabilization of that particular revenue source is a positive indicator for the future.

We have tried to account for every contingency in this budget, but we still must face some local economic uncertainty, the ever present doubt that we have over New York State's willingness to address the structural imbalances in their \$140 billion budget.

We will be doing everything in our power to monitor their activities and hopefully stay one step ahead of any attempts to transfer further State program costs to our constituents. A part of this issue has already been crafted by NYSAC in the form of a statewide initiative called a 9 for 90. The campaign essentially addresses the impact that State mandates have on county budgets across the State. The benchmark for this initiative is that nine State mandates consume at least 90% of the property tax levy in counties and truly in Saratoga County the top nine mandates cost almost \$53 million and, therefore, represent 108% of the levy. Historically, we have had a very difficult time getting the State to address the concern, but we are hopeful that this group effort with NYSAC will elevate the message to the level that demands attention.

Mr. Grattidge said in the past the county has belonged to the National Association of Counties, and dropped their membership a few years ago. He requested that the Board of Supervisors consider reinstating the county's membership. A quote for the membership was obtained at \$4,130. Mr. Grattidge said if the county rejoins they could possibly receive two years membership for the one-year rate.

Mr. Thompson asked why the county dropped their membership? Mr. Wickerham said, at one time the county had representation on some committees and some boards. Those were lost through the years and there was a feeling that they were not really offering value at that particular time. This took place approximately four years ago, he said.

Mr. Peck asked what the advantage was in being a member? Ms. Daly said the seminars would orient the supervisors on how the federal government works and how the different agencies work. This would be a great opportunity for professional development. All of the organizations have something to offer, but it comes back to membership, you are going to get out of it what you put into it. You have to be willing to put in extra time and attend some of the conferences or serve on the committees.

Ms. Raymond said there is a possibility that New York State may have a seat on the NACo Board.

Mr. Thompson asked where do they do the education? Ms. Raymond said some is done on line, regional forums and at the semi annual conferences. There is a March conference that is held in Washington, D.C. which is very legislative oriented with a lot of meetings to Capital Hill and meetings with Congressional people. The second conference moves around the United States, following a pattern on whom the past years President was, she said.

Ms. Raymond said if Saratoga County were to join NACo there should be a policy as to how many and who attend.

Mr. Sausville said it is a good point about getting out of it what you put into it. If there were a couple of members that would monitor the activities, and bring it forward to the Legislative and Research committee he would support the membership. He would also like to see a report at the end of the year on their view of the value of the investment.

Ms. Raymond said there is a large number of counties in New York State that already belong to NACo, and a lot of the smaller counties are very active participants, i.e. Essex County.

A motion was made by Mr. Grattidge, seconded by Mr. Sausville to amend the budget to support the county's membership in the National Association of Counties in the amount of \$4,130. Motion passed. Mr. Thompson – Abstained.

Mr. Kalinkewicz said along with all new position requests we are continuing daily to go through the retirement incentive changes.

After a review by Mr. Kalinkewicz of all personnel requests the Law & Finance Committee recommended the following requests:

District Attorney

Create (2) F/T Assistant District Attorney
Create (1) P/T Assistant District Attorney
Abolish (1) Trial Attorney

Public Defender

Extend First Assistant hours to F/T

Sheriff

Create 3 Desk Officers F/T

Animal Shelter

Create 3 Aides P/T

Social Services

Reclassify a Principle Welfare Examiner to Social Welfare Examiner in Medicaid

Maplewood

Create (1) Certified Occupational Therapy Assistant P/T

Mrs. Wormuth said the county should monitor how the Animal Shelter is doing with the Creation of (3) part-time aides. With the investment that has been made to the county and the community it is important to make sure that we are doing our best to service it.

Mr. Wood said the Animal Shelter should be an ongoing item where we continue to monitor the new facility.

A motion was made by Mr. Thompson, seconded by Mrs. Wormuth to approve an amendment to the budget of \$177,177 for the Creation of three full time desk officers in the Sheriff's office. Motion passed. Sausville – Abstained.

A motion was made by Mr. Grattidge, seconded by Mr. A. Johnson to approve personnel requests in the amount of \$94,289 with an amendment of \$177,177 and an additional \$20,000 in revenue for a total of \$255,596. Unanimous.

On a motion made by Mrs. Wormuth, seconded by Mr. Grattidge the meeting was adjourned to the Budget Workshop to be held on November 19, 2010. Unanimous.

Respectfully submitted,
Chris Sansom