

## **2011 BUDGET WORKSHOP**

**November 19, 2010 – 2:00 p.m.**

Vice-Chairman Wood called the meeting to order.

Roll call was taken. PRESENT – Patricia Southworth, Alan Grattidge, Richard Lucia, Mary Ann Johnson, Jean Raymond, Mindy Wormuth, Paul Sausville, Thomas Richardson, Frank Thompson, Preston L. Jenkins, Jr., Willard H. Peck, John Collyer, Thomas N. Wood, III, Matthew E. Veitch, Joanne Dittes Yepsen, Edward D. Kinowski, Arthur J. Johnson - 17.

ABSENT - Philip C. Barrett, Anita Daly, George J. Hargrave, John Lawler, Richard Rowland, Arthur M. Wright – 6.

Vice-Chairman Wood reviewed the Rules for today's workshop. He said the Law & Finance Committee held its 2011 Budget Hearing on November 9<sup>th</sup>. Each member of the Law & Finance Committee and the Chairman of the Board were eligible to vote on amendments, and all amendments presented were approved with at least four affirmative votes in Committee. During today's meeting, the Chair will accept amendments from the floor. All motions to change the 2011 Tentative Budget, as amended by the Law & Finance Committee, either adding to or deleting from the budget, will require a majority of the weighted vote of the entire Board of Supervisors (100,318 votes). All voting will utilize the weighted system. The 2011 Tentative Budget, along with all amendments approved at the Law & Finance Hearing and today's workshop, will be presented at a Public Hearing on November 30<sup>th</sup> at 5:30 p.m. in the Board Room.

David Wickerham, County Administrator, gave the following Budget overview:

“Thanks Tom. The tentative budget as amended by the budget committee totals just under \$294.5 million in eight separate funds. That is about a 5.6% increase over the adopted 2010 budget. However, that increase is misleading. Expenses in the Nursing Home are relatively stable, up only about 2%. However, the subsidy from the County has increased because their fund balance has been depleted. That required a \$5.8 million increase in our transfer account. We also are seeing a \$4.2 million increase in sales tax distribution. Obviously, that expenditure is more than offset by the \$8 million increase in sales tax. Not all expense increases are bad. If you remove these two procedural increases, the real increase is less than 2%. The general fund, which generates the property tax levy, Totals about \$231.5 million and is balanced with \$3.4 million from the fund balance. We are anticipating that

the opening balance in the general fund, on January 1<sup>st</sup>, will be approximately \$24 million. The average equalized tax rate will continue to be \$2.155 per thousand of assessed value. Based on historic levels in the growth of the property tax base, sales tax receipts, and net expenses. That rate can be maintained through 2012.

“Our largest single expenditure will continue to be Medicaid at \$24.6 million. That’s about a 6% increase over the 2010 budget. The primary reason for the increase is the loss of 2/3 of the enhanced FMAP funding that was part of the President’s stimulus program. All enhanced FMAP funding will be eliminated in Budget year 2012. This expense consumes 10% of our total budget, and we’re uncertain about what modifications the state will consider next year, which may drive up the cost, 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 our Social Services costs, we’ll have to spend \$15.3 million on the education of handicapped preschoolers and \$7.2 million on community college tuitions. In fact, the net cost of our three biggest unfunded mandates is \$47 million, or about 87% of the levy. When we take into account the top 9 mandates, it accounts for 108% of the property tax levy. If the State would simply take fiscal responsibility for the programs and services they mandate, we wouldn’t be looking at capping property taxes, we’d be looking at eliminating them altogether.

“The capital budget is just under \$12 million. The largest appropriation is the \$4.6 million budgeted for road reconstruction and bridge rehabilitation. We were able to pare down the expenses by \$1,000,000 by recalculating the cost of materials used for paving, revising the equipment replacement schedule, and temporarily postponing the replacement of our highway department’s salt dome. Now that the construction of our Animal Shelter is complete we have the associated debt service cost of \$463,000, and we’ve also added \$2.75 million for the Radio System bonds. There’s also funding, for the first time, to cover a possible 3<sup>rd</sup> quarter revenue shortfall of \$764,000 in the Water Authority budget. This payment is contingent upon the Authority’s cash flow next year which may be sufficient to cover all or a part of the amount currently available in our budget. Despite expectations that we would be providing a \$4 million subsidy for the first few years the Authority has been able to pay their bills without our support so far.

“Sales tax revenue has been steadily improving through out 2010 and we’re anticipating about 8% growth over the \$90 million we actually collected in 2009. For 2011, we’ve budgeted \$52.3 million, which represents a 5.5% increase over

the anticipated 2010 total and will also provide additional money in the portion that is shared with the Towns and Mechanicville. We're also expecting about one-half percent growth in our property tax base, which equates to an additional \$201,605. That's a far cry from the annual growth we were experiencing prior to 2009 when we were averaging about 7% annual growth but a nice reversal from the decline in tax base we experienced in 2009. I see the current stabilization of this particular revenue source as a positive indicator for the future.

"We've tried to account for every possible contingency in this budget, but we still must face some local economic uncertainty and the ever present doubt 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 state program costs to our constituents. A part of this effort has already been crafted in the form of a statewide initiative being promoted by NYSAC. The "9 for 90" campaign essentially will address the impact that the 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 Saratoga County the mandates total almost \$53 million and represent 108% of the levy. Historically, we've had a tough time getting the State to address this concern, but we're hopeful that this group effort will elevate the message to a level that demands action.

"That's the budget overview."

Vice-Chairman Wood stated on November 9<sup>th</sup>, the Law & Finance Committee made amendments to the Tentative Budget which included membership in NACo plus some personnel related issues. At this time, Jack Kalinkewicz will share the Personnel side of the budget.

Mr. Kalinkewicz announced that tomorrow is his former boss, Bill Baker's birthday, and he is with us today. Also, Sue Lent, our Self-Insurance Specialist, is retiring today, and we had a small get together at lunchtime. There is cake in our office for anybody who wants to visit and say goodbye to Sue.

Mr. Kalinkewicz stated we started in late summer with the budget, and met with the department heads to tell them to be conservative regarding their personnel requests this year. As a result, we ended up with over \$1 million worth of requests. They look at each request individually to decide how they will be funded, he said. The driving force was whether or not there was funding for the positions; any new positions tied to a revenue source somewhere, and if not, it

was going to be difficult for me to take money out of Fund 1 and recommend the positions be approved by the Law & Finance Committee first and then the Board later, he stated.

Mr. Kalinkewicz reviewed the Personnel Department's recommendations:

DISTRICT ATTORNEY

Create 1 Assistant District Attorney FT - \$114,119

Create 1 1<sup>st</sup> Assistant District Attorney FT - \$1,879

Create 1 Assistant District Attorney PT (No benefits) - \$51,288

Abolish 1 Chief Trial Assistant District Attorney – (\$152,345)

PUBLIC DEFENDER

Ext. of Hours for 1<sup>st</sup> Assistant Public Defender FT - \$39,248

SHERIFF'S DEPARTMENT

Create 3 Desk Officer (in helping with 9-1-1 calls) - \$177,177

ANIMAL SHELTER

Create 3 Animal Shelter Aide PT (17 hr/wk) - \$44,055

SOCIAL SERVICES

Reclassify Principal Welfare Examiner to Social Welfare Examiner – (\$14,827)

MAPLEWOOD MANOR

Create 1 Certified Occupational Therapy Assistant (COTA), per diem - \$10,872  
(allows us to bill Medicaid for that function to get revenue)

Mr. Kalinkewicz stated they have been spending a lot of time with the Personnel Subcommittee dealing with early retirement vacancies. We are looking at how to refill those positions and a lot of reorganizations, he said. The message to department heads has been as vacancies occur, there will be a review done and that they will have to do more with less, he said. Ms. Yepsen said in terms of the early retirement incentives, it was said that there would be a savings of \$300,000. How many have accepted that incentive, she asked. Mr. Kalinkewicz stated about 82 retirements will actually take place, and we have 82 vacancies to deal with. Many of those retirements can be very critical positions – nursing homes, highway (plowing), and the Sheriff's Department, he said. We have to look at refilling those positions immediately to continue the level of service, he said. There are some vacancies that the subcommittee is considering whether they should be filled

at all and holding those positions open. Also, a new person will come in at a much lower salary, and that is where the savings comes in, he added. Vice-Chairman Wood stated that Jack will be available to discuss any questions or concerns that anyone has.

Mr. Grattidge said he would like to amend the tentative budget for the County Clerk's office. He apologized for not doing enough research before the Law & Finance Budget Hearing. He said he found out since that meeting that there were additional needs that needed to take place in that department. We can all agree that our Motor Vehicle department is second to none in this State and is a shining light of efficiency, he said. Consequently, there is not a lot of wasted time when you go there, because they are very good at what they do, he stated. We have attracted some additional work because of our efficiencies and are able to process this work in a manner where people outside of our County have actually come and take advantage of these programs and the ability of that department to be able to do that, he said. He stated after doing more review of how the staffing takes place in that office, it struck him they are in need of additional clerks primarily to serve the residents of the County and be able to continue to add the revenue we are able to get in through other outside work.

**Mr. Grattidge moved to amend the 2011 Tentative Budget to add 3 part-time Motor Vehicle Clerks at a cost of \$53,638 subject to their generation of revenues equal to their costs and to have the County Treasurer and Auditing Department monitor this program for a verification of the revenue. Ms. Southworth seconded. Discussion:**

Chairman Peck said if revenues don't meet expenditures, will these three positions be removed? Mr. Grattidge said that is his intent. Chairman Peck asked about the time frame for the report. Mr. Grattidge said  $\frac{3}{4}$  of the year would bring us into September, and if it is not balancing out, we would eliminate these positions for 2012. Vice-Chairman Wood said we will make this review in September for decision making for the next budget year. Mr. Thompson asked if any part of this revenue would be coming from grant money, and Vice-Chairman Wood stated no. Mr. Thompson asked what these positions would do. Mrs. Marchione, County Clerk, said they would do exactly what the other clerks do for auto bureaus and walk in traffic. Mr. Jenkins asked if the \$53,000 would be more than that in revenues. Mrs. Marchione said her office will be generating \$1 million in revenues to help offset County taxes. She stated she has had a number of restructures and has added only one Motor Vehicle Clerk in the last 12 years. Mr. Jenkins asked Mrs. Marchione if she would be losing revenue without these

people. Mrs. Marchione said yes, because she is not able to use part-time staff. They do processing for 32 auto bureaus from downstate that bring a lot of money into the County, but if she does not have the necessary staff, they have to consider Saratoga County auto bureaus first. She said she has been paying a lot of overtime which exceeds the amount of this request. Ms. Yepsen asked if she expects this to be a wash. Mrs. Marchione stated they receive 12.7% of every transaction that comes into their office. She said she believes the six positions originally requested would have been a savings to the County.

**The motion was adopted by a unanimous vote. (AYES – 146,088; ABSENT – 54,547).**

Vice-Chairman Wood announced that the public hearing on the 2011 Tentative Budget will be held on November 30<sup>th</sup> at 5:30 p.m. The special Board Meeting on the budget adoption will be held on Wednesday, December 15<sup>th</sup> at 4:50 p.m.

On a motion by Ms. Wormuth, seconded by Mr. Veitch, the meeting was adjourned.

Respectfully submitted,

Elaine M. Sodemann