

Law & Finance Budget Hearing
November 8, 2012 – 4:00 p.m.

Present: Chairman Grattidge; Supervisors Daly, Rowland, Sausville, Veitch, Wormuth, Wright, Lawler, Jenkins, Yepsen, Southworth, Collyer, and Richardson; Spencer Hellwig, Administrator; Ryan Moore, Mgmt. Analyst; Nick Caimano, Saratoga Chamber; Marcy McNamara, Personnel; Hugh Burke, County Attorney; Brian O’Conor, Auditor; Chad Cooke, Bill Davis, Sewer District; Press.

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

Mr. Hellwig gave a brief overview of the 2013 tentative budget stating that over the past two years the county has faced a number of costly financial challenges that have depleted a once healthy fund balance. Over the past several months, beginning with the submission of the budget requests from our department heads, we continue to take advantage of every opportunity to reduce the cost of county services to our residents. Despite that fact, the cost of State mandated programs will grow by 3% for a total of \$97.5 million and increase the overall spending of the general fund budget which will be less than ¼% even with those increases. Overall the total for all funds in the 2013 tentative budget is also down by \$4.9 million, which is a decrease of 1.6% from what was adopted this year. A significant point to realize is that the general fund expenses include the sales tax distribution to the towns and cities, which is \$5.2 million higher in next year’s tentative budget than in this year’s adopted budget. In addition, the highway fund expenses are down \$5.6 million due to capital program cuts totaling \$2.3 million. The equipment fund expenses are up by \$726,000 because of the need to replace dated equipment that has reached a point with the maintenance costs to become quite expensive. Due primarily to the planned wing closure and defunding of positions, vacated as a result of retirements, the Maplewood Manor budget is down by approximately \$1.1 million or 4.22%. We will be consolidating 40 empty beds into a single unit and that unit will be shut down. This step combined with the revenue that will be generated as a result of the LDC’s bonding capability will result in Maplewood’s general fund subsidy under the 2013 tentative budget being reduced to \$2,794,855, which is a dramatic improvement from the \$10.4 million that was initially rejected in the department requests and is much less than the \$7.2 million that was appropriated to balance this year’s budget. The county’s three self-supporting funds which are the job training fund, the sewer district and self-insurance are budgeted respectively at \$740,829, \$15,156,371, and \$3,148,580. The total appropriations in the tentative budget for all funds, which includes the unit fund transfers to the highway equipment and infirmity funds is \$300,734,193, which is a decrease of 1.6% from the \$305,631,974 in the 2012 adopted budget. The reduction between the amounts included in the tentative budget and the amounts that were initially requested by department heads represents a decline of \$22.4 million. On the revenue side of the 2013 budget there are several general sources such as general departmental fees, state and federal aid, and sales tax and property tax. Through the third quarter of 2012 the year to date sales tax collections and distributions are up by 7.7% and for the month of October they are up over 10%, which is over the amount that was projected last October. Overall we are budgeting an increase of 3% over the 2012 projected year end amount

of \$107.5 million this year. As a major source of revenue the sales tax is obviously an essential part of limiting the property tax increases, which are largely driven by reductions in State aid and increases in the mandated costs from the State. Property taxes are the second largest source of revenue and Saratoga County will continue to have one of the lowest county property tax rates in the State. The most pronounced revenue change in this budget is the reduction in the transfer's classification. This is the amount that must be expensed in the general fund to provide operating subsidies to the highway fund, machinery fund and to the enterprise fund for Maplewood Manor. In 2012 these transfers totaled \$23.2 million. For 2013 this total has been reduced to \$15.8 million, which represents a 32% decline or in terms of actual dollars, \$7.4 million. The reduction was achieved by cutting the capital costs, reducing Maplewood Manor's expenses and using bonding revenues to cover all but \$2.7 million of Maplewood's \$8.7 million operating deficit for 2013. Finally, the county's rainy day fund balance unappropriated at the end of this year is projected to be \$9 million. Of that total we will be placing \$1.9 million in the budget to cover the operating deficit that is not covered by other revenues.

Mr. Kalinkewicz said a review of all personnel requests; he would recommend a request from the Sewer District for an additional cleaner to be seriously considered. The funds for this position would be taken from the Sewer District funds and not the general fund, he said. He said in terms of recruitment for this position there are people in the county that could be allowed to move into that department should they be interested and meet the qualifications, specifically from Maplewood Manor.

Mr. Wright said he agreed with the recommendations made by the Personnel Director as these are tough times to be giving raises or creating positions. When we are talking about laying people off at Maplewood Manor we shouldn't be giving people raises or creating positions. He said he understands the Sewer Districts need for an additional cleaner with the expansion and is in support of moving someone that may be displaced to that position.

Ms. Daly said as we discuss some of these part time positions in Social Services is it possible to take some of the employees from Maplewood Manor that would be qualified to fill those positions. Mr. Kalinkewicz said there are a couple of issues that would have to be addressed such as qualifications as they civil service positions. There are qualifications for the title, timing of the Civil Service exam that all go with the timing of the employment there. Mr. Kalinkewicz said on a temporary basis when there are vacancies and people are leaving other departments, such as Maplewood Manor, recommendations could be made to give them an opportunity in those temporary positions.

Ms. Daly said this is a time and opportunity to make available some of these other positions. If we don't think about the idea now, even if it requires the timing of an exam to be adjusted or position to be held for a month in order for someone to take the exam, the discussion is worthy. It is a thought that she would ask her colleagues to entertain as we look to take care of the people at Maplewood Manor and make them a priority in any type of position that may come available that they are qualified to do.

Mr. Grattidge said the county has had a tradition of having people move from department to department so employees should be aware that this process is available. As we go through the process over the next two years we can provide some encouragement or dialogue in that area that would be a good thing.

A motion was made by Mr. Veitch, seconded by Mr. Rowland to create a cleaner position at the County Sewer District with funds coming out of the Sewer District funding. Unanimous.

Mr. Grattidge said approximately four or five months ago an RFP went out to look at the County's healthcare plan. A number of quotes were received and a recommendation was made to move to another carrier to provide the same plans that we are currently providing, with a change to Empire Blue Cross. There were some savings that were achieved from what was in the tentative budget. The tentative budget carried an 8% increase in the overall health insurance line item and though the bidding process and comparing switching providers for the healthcare and drug program there will be a savings of \$402,081, resulting in a reduction in the increase to 6%.

Mr. Grattidge said at the public hearing for the rate setting at the Sewer District there was a request to the county that they would be able to purchase a piece of property at the County Landfill in the Town of Northumberland to site their northern plant. After having the property evaluated they have offered the county \$98,580 for approximately a 15 acre parcel.

Mr. Grattidge said these two events happened after the tentative budget was established. The total of the two items is \$500,661. Mr. Grattidge requested that the savings be applied to the tentative budget on the property tax increase reducing the increase to 1.58% from the original 2.5%.

A motion was made by Mr. Rowland, seconded by Mr. Sausville to approve a reduction in the property tax increase from 2.5% to 1.58% for 2013. Unanimous.

On a motion made by Mrs. Wormuth, seconded by Mr. Rowland the meeting was adjourned.

Respectfully submitted,
Chris Sansom