

LAW AND FINANCE BUDGET HEARING

NOVEMBER 13, 2006 – 5:00 P.M.

Present: Chairman Barrett; Supervisors DeCerce, Hargrave, A. Johnson, M. Johnson, Peck, Wood, Gutheil, Thompson, Keyrouze, Sausville, and Yepsen; David Wickerham, County Administrator; Spencer Hellwig, Mgmt. Analyst; Press.

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

Mr. Wickerham read the rules and regulations as follows:

The Law and Finance Committee along with the Chairman of the Board of Supervisors is the Budget Committee. They will review all amendments and consider budget amendments during their Budget Hearings on November 13th, 14th, and 15th. No votes will be taken on amendments until all presentations have been made.

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; however, they may listen to the tape recording of the meeting and would then be able to cast their vote.

The tentative budget, along with any amendments approved at the Law and Finance Hearing, will be presented to the full Board of Supervisors at the Saturday morning workshop meeting on November 18th at 9:00 a.m. Any changes to that document will require action by a majority of the weighted vote of the entire Board.

The 2007 Tentative Budget as amended at the Saturday workshop and the Law and Finance Hearings, will be presented to the public at a public hearing on November 29th at 5:30 p.m. in the County Supervisors offices.

A motion was made by Mr. Peck, seconded by Mr. Wood to approve the rules for the budget hearings as stated above. Unanimous.

Mr. Wickerham said that Saratoga County is still the fiscal and services leader in the State. While other counties are struggling with tax hikes and service reductions we are talking about our third consecutive rate cut. While other counties are concerned about the loss of residents and tax base, we are planning for the arrival of AMD, a three million-dollar investment in the community. While other counties are expressing concern about maintaining their quality of life, we are putting the final touches on a countywide

green infrastructure plan and including in this budget another half a million dollar investment in development rights and recreational purchases. By any objective measurement, Saratoga County is really the number one county in the state.

In Supervisor Barrett's budget, the most impressive feature, is to lower the county tax rate. The new rate would be \$2.20 per thousand of assessed value. This is the lowest rate that we have enjoyed and it is only about 30% of the rate that existed all the way back to 1982. A person with a \$200,000 home would pay about \$34 a month for all county services. Our low tax rate is a calling card for us and we are justifiably proud of it, however, the tax rate is actually just the end of the story. It is your budget that drives the tax rate, not the other way around. The tax rate is possible only through the strict control of expenditures, the nurturing of our non property tax revenues and judicious use of our fund balance. Controlling expenses has the most direct impact on tax rates. Every dollar we don't spend is a dollar that we don't have to raise in property taxes, and every time we save \$193,000 of those dollars, we knock a penny off our average tax rate.

The 2007 county budget totals just over \$225 million, which is about a 4.3% increase over last years adopted budget. However, in actuality it is a 2% decrease over the current 2006 budget as it has been amended throughout the year. The total funding for administrative costs in the general fund remains low at about \$6.8 million or about 4% of the total general fund. Low administrative overhead and attention to detail and costs means small budgets. At \$225 million our budget is the smallest in the capital district, despite the fact that we are now much larger than Rensselaer and Schenectady and are rapidly gaining on Albany county. Medicaid is still the number one mandate in our budget at \$23 million. The good news is that it is virtually unchanged from the 2006 budget. Compare that with the annual double digit increases we have experienced over the past decade, and it is clear that the State's effort to control runaway Medicaid costs has had some success. As suggested by Senator Bruno, we are passing those savings directly back to our residents in the form of rate cuts. Of course, Medicaid is not the only mandate we will labor under, our mandated bill for the education of preschool handicapped children is just under \$15.6 million, \$6.4 million which is a direct charge to taxpayers. Similarly we will receive a \$5.7 million bill for tuition for county residents attending community colleges. The taxpayer costs of our three big unfunded mandate programs, welfare, education of handicapped preschoolers and community college tuition bills totals about \$40 million or 95% of our property tax levy. It is not a stretch to say, if the State simply eliminated their mandate we could just about eliminate our property taxes completely. About 75% of the budget is mandated in one form or another.

Maplewood Manor continues to operate in the red, but we are projecting a reduction of the county costs this year. We are budgeting the 2007 county subsidy at about \$5.4 million as compared to \$6.2 million last year. Even so, taxpayers are paying nearly 25% for the facilities operation. Clearly, the new Governor must make a provision of services to the elderly a top priority in 2007.

In Saratoga we pride ourselves in addressing our capital needs every year. At a little more than \$10 million the county capital plan comprises about 6.5% of our fund budget.

As usual the cornerstone is the road and bridge component, which tallies about \$4.7 million. The capital budget also begins to address some of our space needs, which might have a bigger impact in future years. It includes \$300,000 for engineering and architectural services relative to the space needs of our public health professionals and \$100,000 for similar purposes relative to the Animal Shelter. Our ability to maximize non taxed revenues and accurately project them is essential to our ability to lower the property tax. Property taxes are not the largest revenue, and it hasn't been number one for a long time. Most of the revenue comes in direct reimbursement through federally mandated programs. It is actually not a good thing when those things go up. It is, however, a good thing when sales tax revenues go up and we are budgeting a 5% increase in sales tax for 2007. This year the sales tax will comprise nearly ¼ of all revenues compared to less than 20% raised in property taxes. That growth has occurred despite the fact that we have the lowest sales tax rate in the capital district, fully 1/3 lower than any of our neighbors.

We can thank Senator Bruno for significant new revenue in this year's budget. When the Board of Supervisors approved the Racino several years ago, we did it only to help prop up a struggling harness racing industry. We knew we were not going to receive any revenue to deal with the problems that might be associated with the facility. Senator Bruno has rectified that and we can expect to receive approximately \$860,000 based on Racino gross profits in 2006. That number will undoubtedly increase as Saratoga Gaming and Raceway gets permission to add more video lottery terminals.

The budget contains \$75,000 more in revenue than expenditures, simply put, that is money that you can use to deal with requests that will be made of you over the next three days. Any additional funding would have to come from additional taxes or reductions in the fund balance. Mr. Wickerham said he would strongly recommend against further reduction of the fund balance. After allowing for the Board approved loan for the water project, it is unlikely that the January fund balance will be more than \$19 million, which is only 8% of the total budget and does cause considerable risk to fluctuation of tax rates in the future.

Mr. Barrett said we are not charging the taxpayers a lot of money when it comes to general county services. We should all be very proud of that, he said. We need to continue to drive revenues that are not property tax revenues and continue to watch our spending every step of the way. Those are the two things that need to be done to take the burden off the county residents, and ensure fiscal strength going forward. For every dollar we don't spend, that is a dollar that is in the budget, and a dollar that can go to the county residents.

There is no bigger issue out there today than property taxes. They are extremely regressive and damaging to economies.

Saratoga County is extremely competitive and that is why people want to do business here and live here, i.e. projects like AMD. Saratoga County is able to be competitive in

the marketplace, not only regionally, but also throughout the world. This is something that will positively affect the entire state.

Mr. Barrett said he would like to ask the county Treasurer for some new facts and figures, as to how much taxpayers have saved, and how much money has the county not received in revenue because of the gas tax reduction. He then suggested taking the total amount and putting it toward a reduction in property taxes to ensure residents are receiving the benefit.

Mr. Barrett said it is very important that residents see the direct benefit on their property taxes, which is the number one issue when it comes to residents anywhere in the state. We already have a significant reduction in the property tax, why not make it that much more, he said. If we were able to shift that gas tax cut to property tax it would be approximately another 2% on the reduction on the tax levy, bringing it to approximately 8%.

Brookside Museum (\$12,500) – Cynthia Redshaw

Ms. Redshaw said Brookside Museum represents the entire county. Consistently for the last couple of years, the museum has served 10,000 visitors, 5,000 school children, and 200,000 hits on the website, all of this on a budget of \$137,000.

Ms. Redshaw said all board members work very hard to do whatever they can with many volunteers working to support fundraising efforts. The museum had support in 2001 of \$10,000 from the county budget. With two full time staff people, their salary increases have only been cost of living increases. Expenses to run the Museum have increased 67%, including health care costs and benefits. Some accomplishments in the last year include: Develop and offer the Civil War Letter for Education Program, the installation of a new exhibit called “The Crime of the Century”, artifacts from the Malta Archeological dig, publishing the “Story of Saratoga County”. In the past couple of years over \$200,000 has been invested in the restoration of the building.

Saratoga Center for the Family (\$30,000) – Deb Tomaso

Ms. Tomaso said the majority of people served through the Saratoga Center for the family are either underinsured or uninsured and cannot pay for services. Those who are fortunate enough to have insurance find that the coverage is inadequate to provide long term treatment. Services are not denied to anyone in need based on their ability to pay. A substantial amount of fundraising is done along with support from the county. The center is the primary provider of child abuse prevention and treatment in Saratoga County. The demand continues to rise with the internal budget approximately \$90,000 more than last year without adding any additional staff. It is anticipated that the center will serve approximately 4,300 people in 2007, focusing on more prevention services.

Cornell Equine (\$20,000) – Bill Schwerd

Mr. Schwerd said some of the things that they have seen over the past few years are the number of farms that are transitioning into supporting the equine industry, whether they are raising horses directly or putting feed up. Even some of the dairy farms that have not been able to continue have seen a different way of keeping in the industry. Second, is the importance of the thoroughbred track in Saratoga County, which is just one component of the equine industry in the county. Standard bred is still an important component, however, the pleasure horse industry is the one that is probably undervalued because of the number of horses. The equine program has unparalleled publicity, both nationally and across New York State.

Mr. Schwerd said Cornell Equine has met all their goals and guidelines that were set forth this year, and continue to have an impact on the agricultural industry in Saratoga County. It reaches across whether it is the tourist industry, hospitality, or the farm community; Cornell Equine is making a difference.

Epiphany Theater (\$10,000) – Amy Case

Ms. Case said Epiphany Theater supports early career artists while working to make theater accessible to all. Theater productions have ranged anywhere from Shakespeare to the most recent, Gibson, all the way to a dance piece that took Aboriginal and African methology and set it to urban music. The theater is in the first move, of a four-year move from New York City where they have been for the last seven years, to Saratoga Springs. In addition to production, there are access programs, and education programs. The access programs insure that no interested individual is unable to attend, including pay what you can and on site childcare, singles night and in the future will hopefully include interpretive performance for the hearing and visually impaired. Education programs encourage community dialogue and employ the arts to enhance learning on a variety of subjects. Epiphany Theatre has a seven year history of producing high quality theatre with award winning artists.

YMCA of Saratoga (\$150,000) - Mike Toohey

Mr. Toohey said as of April of 2006 there were 13,000 members and of those members 54% came from outside the City of Saratoga Springs. This is an organization that is designed to build community. The YMCA is a building that is built on a philosophy where the building itself will serve that philosophy of intergenerational communication. The building is 75,000 sq. ft. and has been designed to offer the broadest possible abilities for people of all ages. Saratoga County YMCA is the largest daycare provider in the county. Currently, there are approximately 250 people working at the YMCA, and when the new facility is completed there will be over 300 people drawing salaries, he said.

Shelters of Saratoga (\$45,054) – Windy Wyczawski

Ms. Wyczawski said this year the Shelters of Saratoga lost the State Emergency Shelters Grant, which has been received every year for twelve years. The grant represented approximately 20% of their grant funding, she said. Shelters of Saratoga is the only

homeless shelter for adults in Saratoga County. The first grant request is for \$25,000 to pay for the salary and benefits for a full time grant writer and the second grant is for \$31,000 to pay for a case manager. The hiring of a grant writer would help the agency to become more self sufficient and productive and would also open opportunities for local and state funding. It is becoming increasingly competitive for not-for-profits, for example, the emergency shelter grants went up this year by 16%, she said. Cutting services will impact the county in the following ways: the county is obligated to house intelligible applicants for emergency housing, accepting a huge amount of referrals from the Department of Social Services at a rate of \$34 per night. This is significantly less than the rate that is paid out to the smaller hotels, which is where they send people if the shelter is full. In addition, case management services are provided with employment referrals, and telephone use. With regard to recidivism and chronic homelessness the ability of the Shelter to support the success and transition of people back into society as fully functioning and contributing members is sustained by the case management program and is augmented by the continued outreach services. Currently, the shelter is serving approximately 250 unduplicated individuals.

American Red Cross (\$25,000) – Eileen Reardon

Ms. Reardon said the American Red Cross is truly a partner with Saratoga County when it comes to emergency response preparedness. The American Red Cross would like to work more in synergy with the County and Towns in developing a core of Red Cross Shelters and a core of Red Cross Volunteers, working with town personnel and making them official Red Cross. A survey was sent out to the different towns asking if they were interested in the Red Cross coming in and providing training for community disaster education to the public on sheltering. The following towns responded: Malta, Saratoga Springs, Charlton, Hadley and Stillwater.

Saratoga Springs History Museum (\$2,062) – Jamie Parillo

Mr. Crowle said the museum has a rotating exhibition gallery, which is changed out every nine to twelve months, with all exhibits based on aspects of Saratoga history. The exhibit that has been chosen is with regard to the Kayaderosseras Watershed. This exhibit will tell the history of the Kayaderosseras Watershed through a peoples history back to the Native American time up through the development and impacts on housing and on the watershed, which affects Saratoga Lake and other areas, he said.

Friends of the Kayaderosseras (\$3,000) – Ruth Dibelius

Ms. Dibelius said gave a brief presentation of the cleanup of tires in various towns, focusing primarily thus far in the Village of Ballston Spa and the Town of Milton. Ms. Dibelius said they would soon be going into the outside district to the City of Saratoga Springs.

Planned Parenthood (\$3,600) – Darren Costner

Mr. Coster said the program team view is a peer education program designed to offer education and support to young people in Warren, Washington and Saratoga County. Topics of discussion range from bullying, to harassment, healthy decision making, teen pregnancy, drugs and alcohol. The means of the education is to use interactive skits and roll plays. The main goal is to increase awareness of the issues among the teenage members, but also to give them the opportunity to spread the message. The request of \$3,600 is to help get the group up to size. Planned Parenthood had the loss of private funds a few years ago and consequently, they have experienced a decrease in their group size of 20-25 to 9.

A motion was made by Mr. Hargrave, seconded by Mr. Johnson the meeting was adjourned to November 14th at 5:00 p.m. Unanimous.

Respectfully submitted,

Chris Sansom