

Budget Public Hearing

December 3, 2009 – 3:30 p.m.

Present: Vice Chairman Peck; Supervisors Grattidge, Raymond, Southworth, Sausville, Veitch, Wright, Yepsen, Wood and Wormuth; David Wickerham, County Administrator; Mark Rider, County Attorney; Spencer Hellwig, Mgmt. Analyst; Barbara Plummer, Clerk to the Board; Pam Hargrave, Adm. Ass't.; Press.

Vice-Chairman Peck called the meeting to order.

Mrs. Plummer read the Notice of Public Hearing.

Vice-Chairman Peck said there are a couple of misconceptions that he would like to clarify: Maplewood Manor – there is some perception that Maplewood Manor will be closing in 2010. That is not correct, he said. Mr. Peck said his remarks previously were that Maplewood Manor continues to lose a lot of money, which is not an aspect of how it is run, but of how the State reimburses Medicaid rates, which will have to be resolved with the State. When talking about the surplus at Maplewood Manor, that is not money that has been saved, that is actually federally money that has come in and been spread out over numerous years. The money will be used this year because of the tough economic situation. We know that Maplewood Manor is a great service to the community and we will continue to struggle on how to make that work.

Vice-Chairman Peck said that the Open Space Program continues to be an important program for Saratoga County, even though funds have been cut back.

Vice-Chairman Peck said that in the budget process the county did not create any new positions. This is different than a hiring moratorium, he said. As people leave and retire from the county the Board of Supervisors will review those positions and continue to fill them as needed.

Mr. Wickerham gave an overview of the budget as follows: County spending is down nearly \$13 million to approximately \$278.9 million in the budget that you are seeing today. Unfortunately, the drop in county revenues has been more extreme than the reduction in spending. Sales tax receipts are trending more than 10% lower than the 2008 sales tax numbers and we don't have data necessary for an accurate 2010 forecast. Unless something dramatic happens over the next two months, county sales tax collections could be off more than \$8 million this year from the 2009 budget. As directed by Chairman Peck the tentative budget maintains the low tax rate of \$2.15 ½ per thousand without resorting to any personnel layoffs. Our single largest expenditure continues to be Medicaid at \$23,350,000, which is actually a reduction of approximately \$1 million. This is directly attributable to the "S" map changes that were included in the stimulus legislation. Medicaid is a mandated expense over which the county has no

control. The county simply pays the bill at the demand of the State. That is also the case with community college expenses and the pre-school handicapped children's program. Slight reductions are seen in all those costs, but at \$41.8 million they still comprise nearly 6% of the property tax levy. Essentially, every dollar that each property tax payer pays, \$.86 goes directly to state coffers as a hidden state tax.

Mr. Wickerham said the county has taken a drastic step in reducing the capital investment in the county infrastructure by approximately \$2 million by taking the simple step of spreading the costs of programs for the next two years over a three-year period. The county's attention to county roads and bridges over the past two decades allows us to make this short-term adjustment without endangering the infrastructure. However, it is only a short-term solution. We must return to the long-term program by 2012 or the county will risk serious damage to our road systems. Even with the cuts the county is still spending nearly \$8 million on capital projects in 2010.

Payroll costs are up by 5.4% even though there are no cost of living raises budgeted. The increased payroll costs are largely a result of the 40% increase in retirement costs dictated by the State Comptroller. In addition, the county has learned that the increase in health insurance costs for county employees is going to be just under 10%. The economic climate has made the county take a second look at how outside agencies are funded. No outside agencies will receive any increase under this budget. Chairman Peck has directed a moratorium on the funding of new outside agencies for the 2010 budget.

The nursing home continues to require significant subsidy from county taxpayers. By 2010 the gap is expected to be approximately \$7 million. The county will be using the last \$5.6 million of IGT revenue to subsidize those costs, which are the true costs of the facility.

The 2009 sales tax revenues are trending 10% less than the 2008 receipts. That is a higher percentage than all of our capital district neighbors and significantly higher than 7% statewide. Mr. Wickerham said, frankly he did not believe those numbers. There have not been any significant layoffs and consumer confidence is stronger in this area than anywhere else in the State. Mr. Wickerham said he honestly believes that Saratoga County is being shortchanged in the amounts received from the State Sales Tax Division. We need to continue to demand the sales tax information from our county that will allow us to know what is really happening in collections. We cannot simply allow the State to send us a check and tell us that is all we are entitled to receive.

Mr. Wickerham said 2010 is the first year that the tax base has shrunk. The loss is less than ¼ of 1% and only drops the levy by \$300,000. This is significant, especially since we know we are gaining population and there are still projects going on throughout the county. This means the reduction is directly attributable to rising State equalization rates that are established at the State office of Real Property Services. It is somewhat reflective of the difficult housing market over the last few years and therefore, it is expected to be short term. With the development of Luther Forest, and as the housing market begins to rebound, so will the tax base.

Mr. Wickerham said he had expected to begin 2009 with a fund balance of \$30 million, but at the beginning of the recession last fall the budget was only \$27 million to start the year. It was expected that \$3 million would be used to balance the current year's budget. With the loss of sales tax revenues, it is more likely that the county will use between \$6 - \$7 million. If this holds true, the county will start 2010 with only \$20 million in reserve. The tentative budget also contemplates the use of another \$3 million during 2010 to be taken from the reserve fund, therefore, we will be down to approximately \$17 million or about 6% of the county budget by the end of 2010. That will make it the lowest reserve fund in decades and will put us in a big hole when starting to work on the 2011 budget. If we can't begin to rebuild the fund in the coming year, 2011 will be a very tough budget to meet.

Mr. Peck said this is a tough economic year, but we are optimistic that things will improve. The economy is beginning to turn. We are going to have to watch throughout the year and look at the numbers on a monthly or bi-monthly basis to see what position we are in and if we need to do any changes throughout the year.

Mr. Peck read the Rules for Participation as follows:

1. The purpose of this hearing is to give you an opportunity to comment on this proposed budget to your elected Supervisors. As Town and County Supervisors, we have already had an opportunity to amend this budget and will have another opportunity to speak on it when the budget is finally adopted. Today is the day on which the public has its chance to tell us what you think of the budget document. Your elected officials are here to listen, not speak.
2. Oral comments will be limited to three (3) minutes. All written comments will be accepted and included in the minutes of this hearing.
3. Speaking time will be monitored by Spencer Hellwig who will indicate when the speaker has one minute left.
4. Speakers will be called on in the order in which they sign up, with county residents speaking first.
5. All speakers will be required to state their name and address for the record.
6. All proceedings will be recorded by the County.

Mr. Peck introduced the following speakers:

Kimberly Hall – 1061 County Road 70, Stillwater - Ms Hall said she has been a member of the 4H Club located in the Town of Saratoga along with the Saratoga County's 4H Team Council for a total of twelve years. She thanked the Board of Supervisors for their financial support for the 4H program and Cornell Cooperative Extension. By helping out

4H it gives an opportunity for kids to learn outside the classroom. Through your financial assistance two new programs were added this year, Saratoga Robotics Club and GPS and GIS programs. With your continued support 4H will be able to continue to expand science, engineering and technology projects. 4H teaches you important life skills such as public speaking and leadership skills.

Chip Ellm – 468 Charlton Road, Charlton – Mr. Ellm said he would like to thank the Law and Finance Committee and the Board of Supervisors for their continued support to Cooperative Extension. Cooperative Extension is the leading resource for research and that research benefits all of Saratoga County residents. Agriculturally, Cooperative Extension is changing to increase the support for specialty agricultural programs that benefit today's changing environment. We also put a strong emphasis on local farms, local food initiatives, and also expansion of the value-added products from local farms delivered to local markets. The 4H development program continues to combine the tradition and strengths of leadership and public speaking, also incorporating modern technology including Robotics and GIS which is used through the traditional learning by Doing 4H program. The Human Ecology is still focusing on special dietary considerations including diabetes and obesity. Cost effective nutritional programs with emphasis on low-income families. During these tough economic times Cooperative Extension would like to thank the Board of Supervisors for their support and all the resources that you make available to the local residents.

Maria Trablea – 112 Spring Street, Saratoga Springs – Ms. Trablea said she works for Saratoga PLAN throughout Saratoga County to preserve open space and special places for current generations and for future generations. We work very closely in a partnership with Saratoga County where the main goals are to give guiding principles bound in the county's Green Infrastructure Plan. Helping towns, developers and landowners in the county to accomplish the goals of the plan.

Ms. Trablea thanked the Board of Supervisors for all their past support for the Farmland and Open Space funds and for keeping it in the budget this year even though it was very difficult. \$500,000 with today's land prices is not a lot of money, but it is really important. Many of the grants that are acquired by the State require a local match. Something really needs to be there to show that the local community of any property whether it is a farm, natural area, forest land or trail corridor is supportive. Often time's landowners will contribute a portion of their value, and this local support is very important. Saratoga County is the fastest growing county in the state and has been for several years. We have a window of opportunity to protect those resources that we think are important to stay here and maintain our quality of life.

Mr. Peck congratulated Ms. Trablea and Saratoga PLAN for being awarded a NYS Grant to help educate individuals throughout the county on the purchase of development rights programs and other land conservation programs throughout the county.

Dan Tagliento – 29 Jones Road – Wilton – Mr. Tagliento asked how much exposure do we have as taxpayers if, in fact, the Global Foundries is delayed, knowing that they are

the largest purchaser from the Water Authority? How would that lack of income be made up? How would the sales tax be budgeted?

Mr. Peck spoke to the question with regard to sales tax revenues - He said the county is not budgeting over what is expected to be received in 2009. We think the economy is on an upswing, but we are back to 2006 and 2007 levels. We haven't factored in sales tax revenues from Global Foundries coming on board.

Mr. Peck adjourned the Public Hearing at 5:56 p.m.

Respectfully submitted,
Chris Sansom