

Law and Finance Budget Hearing
November 6, 2014 - 4:00 p.m.

Present: Chairman Veitch; Supervisors Collyer, Daly, Grattidge, Kinowski, Lewza, Wright, Barrett, Raymond, Richardson, Peck and Martin; Spencer Hellwig, Administrator; Jack Kalinkewicz, Marcy McNamara, Bob Hartman, Personnel; Joanne Bosley, Real Property; Brian O'Connor, County Auditor; Ryan Moore, Mgmt. Analyst; Press.

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

Mr. Hellwig presented the rules of the budget hearing 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 will 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 Thursday Workshop meeting on November 13th at 3:00 p.m. Any changes to that document will require action by a majority of the weighted vote of the entire Board (109,804 votes).
4. The 2015 Tentative Budget, as amended at the Thursday Workshop and the Law and Finance Hearings, will be presented to the public at a public hearing on December 3rd at 5:30 p.m. in the County Board Room.

On a motion made by Mr. Lewza, seconded by Mr. Collyer the Rules and schedule for the budget hearings were approved unanimously.

Mr. Hellwig said the Tentative Budget, Executive Summary and Capital Plan contain a much more detailed description and overview of the budget in its entirety.

1. Mr. Hellwig said the total appropriations in the tentative budget, excluding the \$10 million budgeted in fund 9, is \$296.7 million, representing a decrease of 5.2% from the 2014 adopted budget. The largest revenue source will continue to be sales tax which is budgeted at \$115 million in the tentative budget. This amount must be split with the towns and cities in accordance with the sales tax formula.

2. The second largest revenue source comes from property tax, where Saratoga County will continue to have the lowest county property tax in the State, which is \$2.28 per thousand of assessed value. Under the 2015 tentative budget the property tax rate will actually be slightly less than the 2014 rate, at \$52.9 million.
3. The total unfunded state mandates are budgeted at \$96.5 million. The actually net cost to the county after state aid is \$63.5 million and with the property tax levy of \$53 million there will be shortfall of \$10.2 million.
4. The highway and equipment fund expenses will increase by \$2.5 million bringing the total to \$27.9 million, primarily due to increased costs in capital expenses related to road and bridge repair, as well as equipment replacement. This will also have an impact on the general fund, in that; funds must be transferred out of the general fund to cover revenue shortfalls. The inter-fund transfer amount will be \$19.1 million in 2015.
5. The county's three self supported funds, which include the job training fund, sewer fund, and self-insurance fund, are budgeted respectively at \$1.1 million, \$17.2 million, and \$3.4 million, collecting enough revenue on their own to be self-sufficient.
6. The departmental budgets have been held flat or reduced in 2015 wherever possible. The areas where expenses are substantially up include a \$2 million increase in the general fund, transfer of the highway funds, sales tax distribution will increase by \$2.5 million, as well as costs associated with a new division that was placed in the tentative budget to cover Maplewood Manor's legacy costs. That expense next year has been budgeted at \$2,250,000, which is for retiree healthcare costs and post-employment benefits. A \$2.6 million appropriation for the inter-governmental transfer program will allow the county to draw down additional federal aid for Medicaid expenses
7. The infirmary fund for 2015 is budgeted at \$10 million, which is an amount that is approximately equal to four months of operating costs. It is hoped that the Department of Health and Zenith will be able to move quickly through the remaining components of the sale and have the closing before the end of the year. In the event that there is an unforeseen delay, the county needs to have some funding in place to continue to run the facility for the short term. Any operating losses that are realized over that time period will be covered either through sale revenue or any fund balance that the facility has on hand at the point which the sale occurs. The total capital costs are budgeted at \$13.1 million and the net cost to the county will be \$8.2 million.
8. The projected fund balance at the end of 2014 is \$21 million, from which the tentative budget is reappropriately \$1 million to balance the expenses and revenues in the budget.

Mr. Veitch outlined the following committee requests:

1. A request was made for a \$5,000 increase for the Southern Saratoga County Chamber of Commerce.

A motion was made by Ms. Daly, seconded by Mr. Kinowski to approve a request for a \$5,000 increase for the Southern Saratoga County Chamber of Commerce. Unanimous.

2. A request was made for a \$28,500 increase for the Saratoga County Chamber of Commerce for their Tourism Promotion Agency.

A motion was made by Mr. Grattidge, seconded by Mr. Kinowski to approve a request for a \$28,500 increase for the Saratoga County Chamber of Commerce. Unanimous.

3. A request was made for \$30,000 for Cornell Cooperative Extension for their Saratoga County Farm Guide.

A motion was made by Mr. Wright, seconded by Mr. Lewza to approve a request for \$30,000 for Cornell Cooperative Extension for their Saratoga County Farm Guide. Unanimous.

4. A request was made for \$250,000 for open space and farmland protection

A motion was made by Mr. Veitch, seconded by Mr. Collyer to approve \$250,000 for open space and farmland protection.

Mr. Wright stated that this is a great program, but he does not feel that this is the time to fund open space, when road repairs are being cutback, such as in the town of Hadley where roads have been resurfaced with tar and stone. He said it is very difficult for him to justify telling his constituents that the county can't afford to buy blacktop, but we can purchase development rights on farmland. He said the county has done a great job at getting the fund balance to where it is today. He said everything should be put on the table to be prioritized.

Mr. Wright said he would vote no on this resolution at this time.

Mr. Collyer said that the original request was for \$500,000. He said he felt a fair compromise has been made at \$250,000 and it should be put back in the budget.

Mr. Kinowski said the value of open space in the communities is never in question. In the town of Stillwater, from the land that they have and the land that they will obtain this year, it will almost complete the trail system that will go from the Town of Saratoga to the City of Mechanicville.

Ms. Daly said she would like to take a look at the program to better understand how the money is being allocated. She said that it seems as though only a few communities have benefited.

Motion passed.

5. A request was made for \$100,000 for trails

A motion was made by Mr. Collyer, seconded by Mr. Kinowski to approve \$100,000 for the County Trails system. Unanimous.

The grand total for the amendments is \$413,500.

Ms. Daly said the Capital Resource Corporation, at its last meeting, has agreed to grant \$50,000 to the county.

Mr. Kalinkewicz distributed a handout of the new position requests to all committee members for their review.

A motion was made by Ms. Daly, seconded by Mr. Kinowski to approve new position requests as outlined. Unanimous.

Mr. Veitch suggested two places in the budget that could be changed.

1. \$250,000 from the Economic Development line
2. \$100,000 from the contingency budget.

Mr. Hellwig said the budget amendments not only include changes to the expense lines, but the revenue as well. He said as far as the personnel changes of \$233.053; last year it was covered by a reduction in the contingency account. If that methodology is followed this year, the balance in contingency will be \$546,000 for 2015.

Ms. Daly said she thought it would be a bad move to take money out of the economic development fund in a year when the committee is in the process of looking for an Executive Director and becoming operational.

Mr. Collyer said a \$750,000 for economic development is too much. He said he would be agreeable to \$500,000 and if they need more money they can come back to the committee with their request.

Mr. Grattidge proposed taking the personnel requests out of the contingency budget as recommended by the Administrator.

A motion was made by Mr. Grattidge, seconded by Mr. Kinowski to take the personnel requests out of the contingency budget and the remaining requests out of the fund balance.

Mr. Collyer voted No. Motion Passed.

On a motion made by Mr. Wright, seconded by Mr. Lewza the meeting was adjourned unanimously.

Respectfully submitted,
Chris Sansom