

BUDGET COMMITTEE January 16, 2008

**** NOT APPROVED ****

Committee Members Present

T. Hopkins, D. Fanton, W. Dibble, W. Hall, T. O'Grady, C. Crandall

Others Present

L. Ballengee, W. Goetschius, K. Kruger, J. Margeson, B. Riehle, T. Ross, W. Tompkins

Approval of Minutes

The December 19, 2007 Budget Committee minutes were approved on a motion by Fanton, seconded by Hall and carried.

Sales Tax Report

County Treasurer Terri Ross distributed copies of a Sales Tax Report reflecting receipts through January 14, 2008. For 2007 we received \$17,214,041.59 in sales tax revenue and \$30,349.27 in interest. The sales tax revenue exceeded the \$17.1 million budgeted for 2007 by \$114,041.59, and everyone was very pleased. Our first payment in 2008 was \$1,197,992.34. Ms. Ross indicated that other counties also reported much higher than normal sales tax revenue receipts, and they are trying to determine why.

Overtime Report

Ms. Ross also distributed copies of an Overtime Report through the end of 2007. Total overtime hours worked for 2007 (26 pay periods) were 59,138.49 resulting in \$1,737,038.97 in overtime costs. Of the overtime hours worked, 40,527.70 hours were paid, and 25,084.65 were banked. Committee members were able to compare overtime figures for the last four payroll periods of 2006 with the last four payroll periods of 2007 and noted that the overtime hours for those pay periods were much higher in 2007. Both the Health Department and Sheriff's Office appear to have considerable increases. Sheriff William Tompkins indicated that most recent overtime expenses have been generated by the federal inmates, and those expenses are reimbursable. It was noted that we have recouped about \$8,500 from transportation costs. The Sheriff also suggested that some of the increased expense might represent a buy out of compensation time at the end of the year. Legislator Fanton suggested adding a column to the overtime report where expense reimbursements can be listed so that committee members can better see the actual net cost.

Sheriff's Budget

Legislator Theodore Hopkins, Chairman of the Budget Committee, stated that they believe that the 2008 budget approved for the Sheriff's accounts are accurate and that the Sheriff should be able to operate within the budget set. Legislator Hopkins noted that if more prisoners are added, there may be some costs not included in the budget, and he requested that the Sheriff let the Budget Committee know immediately if an account is going to be over budget.

Sheriff Tompkins reported that everything is going well, and they currently have 121 inmates. The Sheriff distributed copies of his financial report for 2007.

GASB 45

County Treasurer Ross provided an update on the status of meeting the GASB 45 requirements. Ms. Ross along with our Human Resources Office has been working with our actuarial firm, Harbridge, in completing the data. The final report should be here by the end of January, and we will be on target for satisfying the required reporting for year end 2007.

Transfer of .1's to Contingency

Legislator Hopkins suggested that if we abolish any positions or leave them open for a year, we should take the .1 money and transfer it to Contingency to help build our fund balance. In the

past, that money has been transferred and used, and we should create a savings for it. Committee members were in favor of Legislator Hopkins' suggestion.

Adjournment

There being no further business to come before the committee, the meeting was adjourned on a motion by Fanton, seconded by Dibble and carried.

Respectfully submitted,
Brenda Rigby Riehle, Clerk of the Board
Allegany County Board of Legislators

BUDGET COMMITTEE
February 20, 2008

**** NOT APPROVED ****

Committee Members Present

T. Hopkins, D. Fanton, W. Dibble, W. Hall, T. O'Grady, C. Crandall

Others Present

D. Burdick, K. Kruger, J. Margeson, B. Reynolds, B. Riehle, T. Ross

Approval of Minutes

The January 16, 2008 Budget Committee minutes were approved on a motion by Hall, seconded by Dibble and carried.

Sales Tax Report

County Treasurer Terri Ross distributed copies of a Sales Tax Report reflecting receipts through February 13, 2008, totaling \$2,443,621.29. Ms. Ross reported at our meeting last month that our first payment in 2008 was \$1,197,992.34 which was much higher than anticipated. Since that time, the New York State Comptroller's Office reported that that amount included \$546,638.29 remitted via Electronic Funds Transfer from vendors participating in the Department's Electronic Funds Transfer (EFT) Program for Sales Tax and Prepaid Sales Tax on Motor Fuel. These remittances cover the January 1 through 22 liability period. Prior to the EFT, these remittances would have been reported and distributed to us in March. Although we are showing a huge increase in sales tax receipts so far this year, that figure will even out by March.

Overtime Report

Ms. Ross also distributed copies of an Overtime Report through payroll two ending January 18, 2008. Total overtime hours worked so far for 2008 were 5,188.48 resulting in \$154,888.91 in overtime costs. Of the overtime hours worked, 3,582.17 hours were paid, and 1,606.31 were banked. Ms. Ross has left the 2007 data on the spreadsheet so that figures can be compared.

At the last meeting the committee requested that a column be added to the overtime report showing the amount the Sheriff's Office expects to be reimbursed for overtime expenses associated with housing inmates. Legislator Timothy O'Grady questioned why the information was not included on this report and asked when the committee could expect to have the information. Ms. Ross indicated that she has not been receiving overtime reports or the reimbursement information from the Sheriff's Office. County Administrator John Margeson will remind the Sheriff's Office that they need to submit this information.

Health Care Costs

County Treasurer Ross reported that in 2007 we budgeted \$5 million in our CSH Risk Retention Health Fund for medical expenses, and we spent \$6.5 million. Ms. Ross had to move money from the County's General Fund to cover that expense. In 2006 we spent almost \$6 million out of that account so the increase (approx. 8%) was good compared to what others have experienced with health care costs; however, we did not budget enough. Ms. Ross expressed concern that we only budgeted \$5.27 million for 2008, and she believes we will most likely experience a large deficit in that account.

Legislator Dwight Fanton asked if we have made any progress in getting people into less expensive options. Mr. Margeson indicated that four retirees have signed up for alternative options.

Ms. Ross reported that we received about \$261,000 from employee contributions for medical insurance. They have been working on premium equivalent adjustments, and some changes have

been implemented. More changes will need to take place to get employee contributions caught up to the place where they should be.

NYSAC – Impact of the 2008-09 Executive State Budget on County Government

Chairman of the Budget Committee Legislator Theodore Hopkins distributed copies of a NYSAC report outlining the impact of the 2008-09 Executive State Budget on County Government.

Legislator William Dibble indicated that the issue was discussed at the Inter-County Association meeting on Friday, and many of the proposals will end up raising property taxes for counties. Allegany County needs to come up with a figure representing the negative impact the Governor's proposal will have on our citizens' property tax rates. Chairman Curtis Crandall indicated that he briefly discussed unfunded mandates and the negative impact they have on Allegany County with the Governor yesterday. Chairman Crandall stated that even though Medicaid has been capped, our local share Medicaid expense is almost \$10 million or 42 percent of our County tax dollars. Our local property tax increases 2.1 percent just to cover the annual Medicaid increase. Committee members discussed the similar situation that would arise with the proposed cap for the Pre-K Program. Legislator Dibble commented that we are the only state that passes any cost of the Pre-K Program down to counties.

Chairman Crandall talked about sending correspondence to the Governor that would expand on the points he discussed with the Governor when he was in the County earlier this week. Chairman Crandall suggested that the letter should include a list of unfunded mandates with the local impact, the impact of the Governor's budget proposals on Allegany County, and the message to truly save New York State residents from property tax increases do not shift the burden to the local taxes and reduce the programs provided.

Mr. Margeson indicated that he should be able to interpret and figure the financial impact for Allegany County, and he will also get something out to the department heads that might suffer a negative impact from the Governor's proposals.

Future Meetings

Budget Chairman Theodore Hopkins suggested having representatives from the Social Services Department come to our next meeting to discuss their budget in further detail.

Adjournment

There being no further business to come before the committee, the meeting was adjourned on a motion by Fanton, seconded by Dibble and carried.

Respectfully submitted,
Brenda Rigby Riehle, Clerk of the Board
Allegany County Board of Legislators

BUDGET COMMITTEE

March 19, 2008

**** NOT APPROVED ****

Committee Members Present

T. Hopkins, D. Fanton, W. Dibble, W. Hall, T. O'Grady
(Absent: C. Crandall)

Others Present

V. Fegley, R. Hartwick, D. Horan, K. Kruger, J. Margeson, B. Reynolds, B. Riehle, T. Ross

Media Present

B. Quinn – Wellsville Daily Reporter

Approval of Minutes

The February 20, 2008 Budget Committee minutes were approved on a motion by Fanton, seconded by Hall and carried.

Sales Tax Report

County Treasurer Terri Ross distributed copies of a Sales Tax Report reflecting receipts through March 13, 2008, totaling \$3,496,977.14. Due to the Electronic Funds Transfer (EFT) Program for Sales Tax and Prepaid Sales Tax on Motor Fuel, we have received approximately \$560,000 more so far this year than in 2007. Ms. Ross noted that even if you adjust the figures to deduct a portion of the EFT that would have normally been distributed in March, we are still showing an increase over last year.

Overtime Report

Ms. Ross distributed copies of an Overtime Report through payroll five ending February 16, 2008. Total overtime hours worked so far for 2008 were 13,565.47 resulting in \$396,518.57 in overtime costs. Of the overtime hours worked, 9,018.39 hours were paid, and 4,547.08 were banked.

Budget Chairman Theodore Hopkins indicated that he has met with the Sheriff, and the Sheriff will be submitting quarterly overtime reports and will include how much was spent on transportation and how much was reimbursed along with a report showing how all overtime is generated. Legislator Hopkins stated that there is no point in other departments continuing to submit overtime reports on a monthly basis.

Legislator Timothy O'Grady stated that historically we request information, and then we do not receive it. What recourse do we have? Legislator Hopkins indicated that he believes the Sheriff's Office will prepare the overtime reports on a quarterly basis.

Community College Expenses

Ms. Ross distributed copies of a Community College Report summarizing the expenses paid to the various Community Colleges in New York State when an Allegany County resident attends one of their schools. In 2007 we paid \$760,981.76 for 878 students compared to \$707,206.79 for 878 students in 2006. Although the number of students didn't change from 2006 to 2007, many are going to different schools which might be one reason for the difference in cost. Since 2003 we have paid \$3,234,870.37 in Community College expenses.

GASB 45

Ms. Ross also distributed copies of Harbridge Consulting Group's Report of Allegany County's Actuarial Valuation of Postretirement Health Care Benefits as of January 1, 2007. Allegany County was obligated to complete the valuation under GASB 45 (Governmental Accounting Standard).

Legislator William Hall asked if the report has any implications for putting money aside. Ms. Ross indicated that although we were required to complete the valuations, we are not required to fund the value of our Postretirement Health Care Benefit Plan at this time. There is currently no funding mechanism; however, some counties are putting money aside. Possible penalties for not funding the plan have not been determined. County Administrator and Budget Officer John Margeson stated that while our present value of total future liability is about \$170 million, that is 1.7 times our total County budget, and some counties are coming in with figures that triple their county budgets.

Sheriff's Office – Departmental Reports

Sheriff William Tompkins and Sheriff's Office Accountant Randy Hartwick distributed copies of a Federal Transport Summary Report. The Sheriff indicated that this is the form they developed after talking with Budget Chairman Theodore Hopkins, and if committee members would like to see the information in a different format, please let the Sheriff know. Mr. Hartwick noted that the figures sometimes look like they do not match up very well because our payroll period and billing periods are not the same; however, the figures should balance out on a quarterly basis. We are billing for the accurate amount; however, we need to make sure that we are accounting for our overtime correctly internally to be able to properly show how our overtime costs are billed back. It was noted that we received a base rate of \$29/hour for transportation costs.

The spreadsheet shows the overtime for the entire operation. There has been a misunderstanding in the past about where overtime comes from, and the vast amount of overtime is generated through contractual obligations. There are a lot of hours shown as overtime that do not represent actually calling an employee in to work on overtime. Some of these items include such things as shift briefing and Sunday premium.

Legislator Hopkins asked Sheriff Tompkins and Mr. Hartwick to include these overtime reports when they bring their quarterly reports to the committee next month.

Social Services Budget

Social Services Commissioner Patricia Schmelzer, Deputy Social Services Commissioner Vicky Fegley, and Accountant Donald Horan attended the meeting to discuss and explain their programs and budget. Mrs. Schmelzer distributed copies of their budget worksheets listing all of the accounts within the Social Services budget, and then she went on to explain each category answering questions as she went. Mrs. Schmelzer also talked about different funding criteria and eligibility requirements for various programs. It was noted that the total Medicaid budget for 2008 is \$9,876,309.

Indigent Legal Services Funding

Budget Committee Chairman Hopkins requested Mr. Margeson to explain a recent NYSAC report indicating that some counties may be in risk of losing their Indigent Legal Services Funding. Mr. Margeson indicated that we have to submit an annual report outlining how we provide legal services to the poor. Three years ago the state started providing financial assistance to the counties, and the counties have to show that their expenses increase every year. Counties have to meet these "maintenance of effort" requirements in order to continue to be eligible for the Indigent Legal Services Funding. Mr. Margeson indicated that when he originally completed the report for the year ending 2007, it was clear that we would have to spend more on an annual basis to keep our funding; however, since that time the County Treasurer called his attention to a few figures that were not accurate, and Mr. Margeson has submitted an amended report.

Assembly Bill 8775-A

Legislator Hopkins distributed copies of a sample resolution in support of Assembly Bill 8775-A (New York State Property Taxpayers Protection Act) which deals with capping school taxes and funding. Legislator Dibble expressed an interest in being able to read all of the backup material associated with the bill. A motion was made by Dibble, seconded by Hall and carried to refer the matter to the Ways and Means Committee. **Refer to Ways and Means Committee**

Future Meetings

Committee members agreed to change the regular meeting time of the Budget Committee from 2 p.m. on the third Wednesday of the month to 1:30 p.m.

Committee members would like the Health Department, Office for the Aging, Probation, Public Works and Sheriff's Office to plan to attend the April meeting to present their quarterly reports. The Department of Social Services has a state auditor coming to the office on that day and will plan to present their quarterly report at the May meeting.

Legislator Hopkins also suggested that County Treasurer Terri Ross should plan to come in and talk about financial checks and balances at the County.

Tax Sale

Legislator Timothy O'Grady asked if the County is obligated to take possession of all properties in the tax sale. Ms. Ross indicated that the County is required to take title of tax sale properties before a parcel is sold and the title is transferred to a buyer; however, we do not take title to any properties with liability issues prior to the tax sale.

Adjournment

There being no further business to come before the committee, the meeting was adjourned on a motion by O'Grady, seconded by Dibble and carried.

Respectfully submitted,
Brenda Rigby Riehle, Clerk of the Board
Allegany County Board of Legislators

BUDGET COMMITTEE

April 16, 2008

**** NOT APPROVED ****

Committee Members Present

T. Hopkins, D. Fanton, W. Dibble, W. Hall, T. O'Grady, C. Crandall
(Absent: D. Fanton)

Others Present

W. Goetschius, R. Hartwick, C. Ivers, J. Mancuso, K. Kruger, J. Margeson, V. Pettit, S. Presutti, Y. Rechichi, B. Reynolds, B. Riehle, T. Ross, D. Russo, D. Sirianni, K. Toot

Media Present

K. Ross – Wellsville Daily Reporter

Approval of Minutes

The March 19, 2008 Budget Committee minutes were approved on a motion by Hall, seconded by Dibble and carried.

FIRST QUARTER DEPARTMENTAL FINANCIAL REPORTS:

Public Works Department

Public Works Fiscal Officer Yvonne Rechichi and Deputy Public Works Superintendent John Mancuso distributed copies of their first quarter financial report to committee members. The revenues reflect receivables claimed through March 31 and appear to be accurate and very close to projections. Based on the first quarter figures, Ms. Rechichi believes that the County Road fuel account (D5110.422) may run short by \$50,000 to \$60,000. Ms. Rechichi stated that the price of diesel fuel has gone up 89 cents per gallon on state bid over the last four months, and unleaded fuel is up 36 cents per gallon. Mr. Mancuso indicated that fuel under the Solid Waste Division should be ok. Legislator William Dibble asked Mr. Mancuso to look into the possibility of obtaining a grant to use methane for new trucks down the road. Budget Chairman Legislator Theodore Hopkins stated that we should have a better idea of where we stand after the next quarter, and hopefully any shortfalls can be made up.

Office for the Aging

Office for the Aging Accountant Vicky Pettit and Director Kimberley Toot distributed copies of their first quarter financial report to committee members. Ms. Pettit stated that the revenues only represent contributions at this point; however, we should start vouchering for Federal and State aid soon. Mrs. Toot explained that Federal vouchers cannot be submitted prior to receiving notification of the grant award. Although their expense accounts appear to currently be accurate and very close to projections, Mrs. Toot expressed concern about their gasoline account for the Meals on Wheels Programs as well as mileage reimbursements to volunteers. Now that gas prices have increased so much, many volunteers that didn't used to request mileage reimbursement are doing so.

Mrs. Toot provided an overview of how accounting procedures are handled at the Office for the Aging. Mrs. Toot explained that they have 17 different grants that fund the Office for the Aging Programs over five different fiscal years. Two budgets have to be maintained for each grant, one for the County and one for the state, because we use different fiscal years. Each month, Mrs. Toot and Ms. Pettit review an excel spreadsheet listing all grant expenses to date showing the percentages spent and remaining so that they can determine where the money will come from and which funds may have to be moved to support a particular budget. Time studies are performed with employees every other pay period to determine which grants can be charged for their time. Mrs. Toot stated that we have a clear understanding of who is doing what and how we can pay for their time. No one in the office claims overtime without permission. Mrs. Toot stated that she communicates daily with Ms.

Pettit regarding any expenses that may come up. Ms. Pettit has oversight for the client cash contributions which have been budgeted for \$221,000 this year, and most of that comes in cash. Ms. Pettit is responsible for making sure those funds are tracked and properly accounted for. Mrs. Toot also explained their backup plan in case Ms. Pettit has to be out of the office for an extended period of time, etc. In addition, Ms. Pettit has prepared a policy and procedure manual that lists step-by-step instructions on how all accounting procedures in the Office for the Aging are handled. Mrs. Toot stated that Ms. Pettit is a part of her management team and an important part of their daily operations. Mrs. Toot reiterated that she just wants to make sure the committee understands how specialized each department is and how systems are in place to specifically handle that particular department. There would be a huge learning curve for someone from another department to handle accounting processes in a different department.

Legislator William Hall commented that it might also be advantageous to use Ms. Pettit's experience in other areas of the County. Mr. Hall questioned whether or not having Ms. Pettit a part of the management team comprised some of her objectivity in doing the accounting process. Mrs. Toot responded that that it did not, and that you cannot make a good management decision without a keen understanding of the fiscal impact. Ms. Pettit briefly described her involvement and relationship with the Treasurer's Office.

Probation Department

Probation Director David Sirianni distributed copies of his first quarter financial report noting that everything appears to be in order, and he has nothing of concern to report. Mr. Sirianni mentioned that there has been a proposal to move Probation Departments under the Office of Court Administration at the state level, and reimbursements to counties could increase up to 50 percent. Legislator Dibble requested Mr. Sirianni to bring a draft resolution supporting this concept to the next Public Safety Committee meeting for consideration.

Sheriff's Office

Jail Administrator Christopher Ivers and Sheriff's Office Accountant Randy Hartwick distributed copies of their first quarter financial report. The revenues appear to be accurate and very close to projections. The general supplies account (A3150.408) is projected to be about \$26,000 short, and a resolution should be considered at the April 28 Board meeting to transfer funds from Contingency to cover this shortfall. Mr. Ivers stated that they are trying to become more self-sufficient within the organization. They recently purchased sewing machines so that clothing can be repaired right away, and they have talked about sewing their own sheets and similar items. With the increase in housing in inmates, they use more of all supplies, and they continually try to obtain the best prices from various vendors. It can be difficult to determine all of the benefits and the fiscal impact of some of these cost savings measures at first.

The housing of inmates fell off a little in March, but it is starting to go back up. We are still covering our costs plus a little bit on transporting federal inmates; however, we may not always be able to do that. We have been fortunate that many of our transports have not required overtime to do. Legislator O'Grady asked if the figures account for backfilling positions, and Mr. Hartwick indicated that they do. Most transports are to Buffalo or Rochester, but we have accommodated the feds by transporting to other areas on various occasions, and those transportation costs are billed back.

Mr. Hartwick briefly discussed the spreadsheet summarizing overtime costs accumulated under various categories. Approximately \$24,273 has been spent on overtime costs this year when no part-time employees were available to work. By increasing the salaries of the part-time employees, interest in working should increase, and we should be able to decrease overtime costs. Legislator Hopkins asked if they would be able to track the amount of overtime savings that would result from paying part-time employees more. It makes sense, and it sounds good, but we want to be able to see the savings on paper. Mr. Ivers noted that they will be interviewing 20 people today for part-time Correction Officer positions, and some of those people could possibly be ready in about one month. The increase in the Correction Officer rate has not gone through the Board yet, and all of our current applicants originally applied for employment under the original rate.

Sales Tax Report

County Treasurer Terri Ross distributed copies of a Sales Tax Report reflecting receipts through April 14, 2008, totaling \$5,423,738.57 which is up about 16 percent over last year's figures. Ms. Ross noted that we received an Electronic Funds Transfer (EFT) for Sales and Prepaid Sales Tax on Motor Fuel earlier this year which made our beginning figures appear higher than normal, but we should be evened out now and comparing "apples to apples." The big jump in the cost of diesel fuel may explain a portion of the increase we are seeing.

Renewal of Bond Anticipation Notes

Ms. Ross indicated that we recently requested bids to renew \$1,468,525 in bond anticipation notes for renewal on April 24. We received bids from five banks, and Five Star Bank was the low bidder at a rate of 1.88 percent which is down from 3.7 percent last year. Ms. Ross stated that our improved financial position and the current market contributed to the lower rate.

Tobacco Money

Ms. Ross reported that we received our 2008 tobacco settlement money today. We budgeted \$825,000 and received \$851,000. This was the ninth payment, and we are supposed to receive payments for 25 years. Across the state \$753 million was paid out in tobacco settlements this week.

2008 Budget

Ms. Ross distributed a Budget Performance Report for the period ending March 31, 2008 for the General Fund of the 2008 Budget. As of March 31, we have expended \$17,148,431.97 or 21 percent of the budgeted amount.

2007 Year-End Results

Ms. Ross indicated that she is working on finishing her annual reports, and it appears that 2007 ended with a fund balance increase of \$2,420,030 which is great news.

Ms. Ross noted that some projects have been completed yet the money has not been appropriated to capital accounts, and our fund balance for the Capital Fund is (\$525,756).

Treasurer's Office

Ms. Ross asked if the committee members had any questions about the Treasurer's Office operations and how things work. Ms. Ross indicated that our system is regulated by New York State, and our duties are set by law. She is available to answer questions at any time. Ms. Ross briefly talked about her relationship with the various accountants noting that they are constantly evolving various procedures and trying to make improvements with input from the departments.

Legislator Timothy O'Grady commented that when we first began discussing placing all accountants under the Treasurer, he did not envision having the accountants physically move to the Treasurer's Office; he just thought they would report directly to the Treasurer. Legislator Kruger stated that he supports having all Accountants work under Ms. Ross to streamline processes and more rapidly identify any potential problems.

Capping Property Value Exempt under Local Law #4 of 1987 *(Amended by Res. No. 33-08)*

Legislator Theodore Hopkins stated that someone brought to his attention that there are individuals that have homes assessed at \$175,000 to \$200,000 that are eligible to take advantage of the property tax exemptions outlined in Resolution No. 33-08. They are able to meet the financial requirements because much of their retirement income is not being taxed as income. Mr. Hopkins asserted that this was clearly not the intention of the law and suggested that we cap the level of property value that is eligible for exemption. Committee members asked Real Property Tax Director Steve Presutti if it is possible to do what Legislator Hopkins is suggesting. Mr. Presutti indicated that he does not know if the law allows for that, but he will investigate the matter and report back to the committee.

Adjournment

There being no further business to come before the committee, the meeting was adjourned on a motion by Dibble, seconded by Hall and carried.

Respectfully submitted,
Brenda Rigby Riehle, Clerk of the Board
Allegany County Board of Legislators

BUDGET COMMITTEE
May 21, 2008

**** NOT APPROVED ****

Committee Members Present

T. Hopkins, D. Fanton, W. Hall, T. O'Grady
(Absent: C. Crandall, W. Dibble)

Others Present

R. Christman, P. Cockle, D. Horan, J. Margeson, B. Reynolds, B. Riehle, T. Ross, D. Russo, P. Schmelzer

Approval of Minutes

The April 16, 2008 Budget Committee minutes were approved on a motion by Legislator Fanton, seconded by Legislator Hall and carried.

FIRST QUARTER DEPARTMENTAL FINANCIAL REPORTS:

Health Department

Health Department Accountant Pamela Cockle distributed copies of their first quarter financial report to committee members. Mrs. Cockle noted that overall the Health Department has received 12.75 percent of its budgeted revenues which is below the projected amount. The Public Health Nursing (A4011) and Long Term Care (A4040) revenues reflect receivables only through a portion of February due to billing lags. In addition, the March bills were not sent out until the third week of April. With the sale of these programs, our revenues will most likely fall below projected budgets, but it's too early to predict specific amounts. Likewise, our appropriations should also come in under budget.

Mrs. Cockle also distributed a packet showing each different Health Department Program line by line. Mrs. Cockle indicated that she meets with the Public Health Director, Deputy Public Health Director and all Program Managers on a regular basis, and this report is available on a monthly basis if committee members would ever like a copy.

Mrs. Cockle informed committee members that the cost accountants have completed the 2007 reports for both the Certified Home Health Agency and the Long Term Program, and they are anticipating a loss equivalent to about the same as 2006 which was over \$400,000.

Social Services

Social Services Commissioner Patricia Schmelzer and Social Services Accountant Don Horan distributed copies of their first quarter financial report to committee members. Mrs. Schmelzer noted that the HEAP (A6141) revenue and appropriation accounts will fall below the projected budgeted amounts because the state took over paying the HEAP vendors. The County still determines who is eligible for HEAP, but we no longer process checks to individual vendors. Mrs. Schmelzer also noted that the Purchase of Services (A6070) shows a large increase due to the reconciliation of 65/35 open ended state revenue. We project a claim, and then we wait for final reconciliation before booking the revenue. For the most part, the Social Services' accounts appear to be accurate and close to budget projections for this time of year.

Sales Tax Report

County Treasurer Terri Ross distributed copies of a Sales Tax Report reflecting receipts through May 13, 2008, totaling \$6,718,339.22 and interest totaling \$8,405.67 which is up about 14.57 percent (\$854,386.24) over last year's figures.

Legislator Timothy O'Grady asked if there has been any benefit to counties that chose to cap their tax on gas. Ms. Ross and County Administrator John Margeson stated that most counties have indicated that it was a mistake to cap their tax on gas, and those counties do not believe that they have benefited in any way.

Health Insurance

Budget Committee Chairman Theodore Hopkins stated that he would like to have the committee look at where we stand on health insurance expenses at the June or July meeting, and he would also like to compare those figures to last year. Mr. Margeson stated that it will be interesting to see if the recent reduction in the Health Department nursing staff will be reflected in our health insurance costs yet as there would be 15 less people and/or families using the County's health insurance.

2009 Budget Process

Mr. Margeson stated that the kick-off meeting with Department Heads for the 2009 budget process will be at 2 p.m. on May 29. Department Heads will need to complete and turn in their 2009 budget requests by the end of June this year. Ms. Ross noted that some departments will be inputting their budget requests on the County's main computer financial system this year.

Adjournment

There being no further business to come before the committee, the meeting was adjourned on a motion by Legislator Fanton, seconded by Legislator O'Grady and carried.

Respectfully submitted,
Brenda Rigby Riehle, Clerk of the Board
Allegany County Board of Legislators

BUDGET COMMITTEE

June 18, 2008

**** NOT APPROVED ****

Committee Members Present

T. Hopkins, W. Dibble, D. Fanton, W. Hall, T. O'Grady, C. Crandall

Others Present

K. Kruger, J. Margeson, B. Riehle, T. Ross

Approval of Minutes

The May 21, 2008 Budget Committee minutes were approved on a motion by Legislator Fanton, seconded by Legislator Hall and carried.

Sales Tax Report

County Treasurer Terri Ross distributed copies of a Sales Tax Report reflecting receipts through June 13, 2008, totaling \$8,021,058.98 and interest totaling \$9,777.14 which is up about 13.32 percent (\$942,882.18) over last year's figures.

Committee members briefly discussed the impact the County might see in sales tax revenue now that the Truck Stop in Belvidere is out of gas. Legislator O'Grady stated that many gas suppliers are requiring payment for gas within three to four days, and it is difficult for many businesses to meet those demands. Mr. O'Grady noted that the Unimart in Andover recently closed, and he believes another one in the County may also close. It was noted that the Truck Stop is trying to make arrangements to get gas again.

Health Insurance

Ms. Ross distributed copies summarizing the activity in the CSH Risk Retention Health accounts through June 17, 2008. Overall we have spent about 59 percent of the budget, and we are down on spending about \$220,000 from last year which is great news. The biggest decrease can be seen in drug costs which are down about \$145,000. Administrative costs are down \$63,500. The excess insurance is up about \$17,000. County Administrator John Margeson stated that we have to pay up to \$150,000 in medical costs per employee, and if expenses go above that, then the excess insurance picks up the remainder. We also have an aggregate policy that protects our total exposure, and that is roughly \$6.5 million for the entire fund. Mr. Margeson noted that some of the superior discounts that Nova has been able to negotiate with providers has really helped keep our expenses down.

2009 Budget Review and 2008 Budget Reports

Mr. Margeson informed committee members that departments are supposed to submit their 2009 budget requests to him by June 27 noting that a few larger departments might require a little more time. Mr. Margeson stated that he will need about three weeks to review all of the requests and make recommendations. Committee members agreed to hold meetings to review the 2009 budget at 9 a.m. on August 12, and at 1 p.m. on August 13, and they will plan to schedule an additional meeting the following week if more time is required.

Committee members asked Clerk of the Board Brenda Rigby Riehle to contact the smaller departments requesting that they submit their one-page financial report to Mrs. Riehle prior to July 16 so that committee members can review those reports at the July 16 Budget Committee meeting. Committee members plan to review 6-month financial reports from the Office for the Aging, Health Department, Probation, Public Works, Sheriff's Office and Social Services at the regular August 20 Budget Committee meeting scheduled for 1 p.m.

Adjournment

There being no further business to come before the committee, the meeting was adjourned on a motion by Legislator Fanton, seconded by Legislator Dibble and carried.

Respectfully submitted,
Brenda Rigby Riehle, Clerk of the Board
Allegany County Board of Legislators

BUDGET COMMITTEE

July 16, 2008

**** NOT APPROVED ****

Committee Members Present

T. Hopkins, W. Dibble, D. Fanton, W. Hall, C. Crandall
(Absent: O'Grady)

Others Present

L. Ballengee, K. Kruger, J. Margeson, B. Reynolds, B. Riehle

Approval of Minutes

The June 18, 2008 Budget Committee minutes were approved on a motion by Legislator Dibble, seconded by Legislator Fanton and carried.

Departmental Financial Reports

Committee members reviewed six-month financial summaries from the following departments:

- County Attorney
- Clerk of the Board/Legislative Board/Insurance
- County Clerk
- Elections
- Emergency Services
- Employment & Training
- Fire Service
- Human Resources
- Information Technology/Central Service Telephone
- Public Defender
- Veterans
- Weights & Measures
- Workers' Compensation

Budget Committee Chairman Theodore Hopkins asked Brenda Rigby Riehle how the increase in gas price would affect her budgets. Mrs. Riehle indicated that she will most likely go over budget slightly for those line items, but that being able to take a County car to Inter-County meetings and other conferences has really helped keep the mileage reimbursement costs down. County Administrator John Margeson noted that effective July 1, 2008, the mileage reimbursement rate increased to \$.585/mile.

Committee members questioned the \$66,200.43 difference between what has been spent by Employment & Training and what has been collected. Mr. Margeson indicated that the difference represents a lag in revenue collections that would be made up before year end.

Committee members requested Mr. Margeson to follow-up with Human Resources on the amount expended so far this year as the Personnel Officer has indicated that the accounts are accurate and very close to projections, but it looks like more than 60 percent of the budget has been spent through mid-June.

Legislator Hopkins commented that he would like to see many of the financial reports filled out more completely noting that quite a few of the reports did not include a checkmark indicating the status of the accounts under the "Projections" section of the form.

Public Safety Grant

Public Safety Committee Chairman William Dibble stated that an announcement was made at the Public Safety Committee meeting earlier today that New York State is awarding Allegany County \$1,700,475.96 under the FY07 Public Safety Interoperable Communications (PSIC) Grant Program. The grant requires a non-federal cash or in-kind match of \$423,118.99.

REFERRALS FROM OTHER COMMITTEES:

Court Facilities and County Space Needs

Financial aspects of the Courthouse addition/renovation and County Office Building renovation project are being referred to the Budget Committee to begin folding in some of the steps and specific costs and impacts on the budget.

Budget Committee Chairman Theodore Hopkins suggested that County Administrator/Budget Officer John Margeson and County Treasurer Terri Ross contact Municipal Solutions, Inc. (formerly Allardice) and report back at the next meeting on a plan, and we can go from there. Mr. Margeson suggested having representatives from Municipal Solutions come in and run through some amortization schedules, etc. Mr. Margeson stated that he believes that the maximum amount of years the County could finance a capital project such as the Courthouse would be 25. Legislator Hopkins stated that we may need to make some financial adjustments associated with the proposed building and renovations in the 2009 budget.

Board Chairman Curtis Crandall stated that he would like to see an outline with a timetable listing resolutions that will be required as well as a timeframe for budgeting so that everyone will understand the process and cost. Legislator Crandall also indicated that we need to have a firm understanding of the costs associated with the Courts so that we can estimate how much reimbursement we may be entitled to.

Committee members briefly discussed furnishing the new Court Facilities and whose responsibility it would be.

Annual Payment to Retirement Fund

Legislator Theodore Hopkins asked how the market might affect the County's annual retirement fund payment.

Adjournment

There being no further business to come before the committee, the meeting was adjourned on a motion by Legislator Fanton, seconded by Legislator Hall and carried.

Respectfully submitted,
Brenda Rigby Riehle, Clerk of the Board
Allegany County Board of Legislators

BUDGET COMMITTEE
Special Budget Review
August 12, 2008

**** NOT APPROVED ****

Committee Members Present

T. Hopkins, D. Fanton, W. Dibble, W. Hall, T. O'Grady, C. Crandall

Others Present

L. Ballengee, C. Braack, D. Button, R. Christman, D. Button, P. Cockle, J. Foels, P. Gallmann, G. Green, T. Hull, B. Kelley, K. Kruger, J. Margeson, T. Miner, T. Parker, S. Presutti, B. Riehle, T. Ross, E. Ruckle, P. Schmelzer, D. Sirianni, S. Spillane, P. Starks, K. Toot

Clerk of the Board – 2009 Budget Review

Increases in gas prices and the mileage reimbursement rate appear to account for the majority of the increases seen in the budgets that fall under the Clerk of the Board. Legislator William Hall suggested setting the Legislators' mileage reimbursement rate back to the previous rate. It was noted that all County employees are reimbursed at the IRS standard mileage reimbursement rate which increased from 50.5 cents per mile to 58.5 cents per mile effective July 1, 2008. After a brief discussion, a motion was made by Legislator Hall, seconded by Legislator Fanton and carried to set the Legislators' mileage reimbursement rate at an amount not to exceed 50.5 cents per mile effective immediately upon passage of the necessary resolution. **Refer to Ways & Means**

Committee members briefly discussed a few ideas the Transportation Task Force hopes to implement that may help save citizens money on their gas expenses.

District Attorney – 2009 Budget Review

District Attorney Terrence Parker mentioned that there have been rumors that the salaries of judges in New York may increase, and the salary of the District Attorney is statutorily required to be equal to the County Court Judge so an additional appropriation for the District Attorney's salary may be necessary in the future.

Mr. Parker indicated that based upon the increase in assigned counsel rates and the recent changes and increase to the Assistant Public Defender's salary, he is requesting that the Chief Assistant District Attorney's base salary be set at \$45,500 (65 percent of the Assistant Public Defender Position), and the other Assistant District Attorneys' salaries at \$42,000 (60 percent of the Assistant Public Defender Position). Mr. Parker believes the increases will bring them to a level where he can keep people and recruit others if someone leaves. It was noted that there are four part-time Assistant District Attorneys, and the 5th and 6th Assistant District Attorney positions, which are grant funded, are combined with the existing ADA positions as a method to pass through additional duties and work without hiring an additional prosecutor.

The District Attorney mentioned that Governor Paterson has announced substantial cuts since this budget was submitted, and we could be looking at revenue figures that will most likely be affected by the proposed cuts. Committee members discussed how the Welfare Fraud Program works, and Mr. Parker indicated that we have three investigators. Legislator William Dibble suggested hiring some private investigators and paying them 10 percent of what they collect. Legislator Timothy O'Grady questioned the huge increase in the telephone line (A1165.416) from \$2,800 in 2008 to \$6,500 in 2009. Mr. Parker indicated that the increase is due to the new cell/smart phones.

County Attorney – 2009 Budget Review

County Attorney Thomas Miner indicated that the biggest increase in his budget is for the purchase of a multi-function document scanner. Most legal offices are now exchanging information electronically over the computer rather than by fax, and they need to be able to scan documents to produce a file that can be transmitted via computer. The County Attorney indicated that his revenues

traditionally exceed the office's expenses; however, some adjustments may need to be made to the projected revenues due to pressures on our Social Services Department to cut expenses.

Human Resources – 2009 Budget Review

Personnel Officer Ellen Ruckle indicated that her expenses are up considerably primarily due to costs associated with training for the new Human Resources Specialist. Ms. Ruckle estimates that the training, food and lodging for the required three weeks of training will be approximately \$2,800. Ms. Ruckle noted that the mileage expense for the three weeks of training could be reduced significantly if a County car is used.

Ms. Ruckle stated that our Employee Services expense can be reduced about 2.5 percent from the projected increase of 4.5 percent if we pay their fee in one lump sum. Arbitration costs are always an unknown expense. The cost of medical and physical agility exams for police officers and deputies has increased considerably over the last few years. Committee members briefly discussed the \$700 increase in A1430.429 for AFLAC Fees. Legislator O'Grady asked if the County makes money on the fees from Civil Service exams, and Ms. Ruckle indicated that half of the fee goes to the state, and by the time you pay employees overtime to administer the tests, we do not really make any money on them. Ms. Ruckle noted that we have received approximately \$18,000 for Medicaid Part D reimbursements.

Veterans' Service Agency – 2009 Budget Review

Veterans' Service Agency Director H. Scott Spillane indicated that he tries to keep a bare bones budget; however, he did have to include \$500 for training classes he must participate in every other year to maintain his accreditation. Mr. Spillane indicated that they have seen an increase in veterans coming into the office, as many are returning from Iraq.

Legislator Karl Kruger stated that we passed a resolution requiring the Veterans' Service Agency Director to ensure that the memorials are updated, and he wonders if there is money in the budget to get this done. Legislator Dibble indicated that the individual posts usually pay to have the names placed on the memorial. Legislator Timothy O'Grady suggested adding \$1,000 to Mr. Spillane's budget to make sure that funding is there to have the work done. Mr. Spillane indicated that two names need to be added to the monument, and in the past the costs to place the names on the monument have been donated. Mr. Kruger reiterated that if it is the County's responsibility to maintain the monument, we ought to budget the funds to finance the cost. County Administrator/Budget Officer John Margeson suggested that the cost to have names added to the memorial could come out of the Buildings and Grounds budget if necessary.

Historian/Tourism – 2009 Budget Review

County Historian and Tourism Specialist Craig Braack indicated that the only thing different in his budget is an increase in mileage expense. Mr. Braack explained how the I LOVE NY Grant works, noting that it is a matching grant where one-half of an expense is financed by New York State, and the other half comes from the benefiting organization. He has not heard anything about this particular program being cut yet.

Consumer Affairs – 2009 Budget Review

Weights & Measures Director Gilbert Green indicated that the only thing different in his budget is an increase in his gasoline expense. Mr. Green stated that he received his new van yesterday. Mr. Green informed committee members that he is the President of the NYS Association of Weights and Measures Directors this year.

County Clerk – 2009 Budget Review

County Clerk Robert Christman indicated that he will be eliminating a position in 2009 due to a retirement. Mr. Christman indicated that he will be able to do this because he will be going with a new vendor which will provide a more automated system. Mr. Christman briefly explained how the automated system will work.

Mr. Christman expressed concern regarding the Budget Officer's recommendation that revenue account A02.1255.00 (County Clerk Fees) be increased up to \$550,000. Mr. Christman noted that his office has not seen a rate increase for recording fees since 1977. A law was recently passed that counties can pass a local law to increase their recording fees. Mr. Christman noted that such a proposal may face opposition since fees have gone up in other areas, but he believes an increase in fees may help him to achieve the Budget Officer's recommended increase in revenue. Many of the bigger counties have already passed a resolution to adopt a local law to increase the County Clerk's fees. Legislator William Dibble suggested that Mr. Christman take the matter to the Ways and Means Committee for consideration.

Real Property Tax Service Agency – 2009 Budget Review

Real Property Tax Director Steven Presutti indicated that his budget is pretty straight forward, and he tried to keep things very similar to last year. The previous water damage incident back in 2007 enabled him to obtain some new equipment that he would have otherwise had to budget for. Mr. Presutti stated that the STAR reimbursement was down about 20 percent from what he budgeted, noting that he never knows what the state is going to give us. It's referred to as maintenance aid, and the counties receive a certain amount for assisting towns with the STAR Program, but this year everyone's share was cut at the last minute.

County Treasurer – 2009 Budget Review

County Treasurer Terri Ross noted that both her budget and the Health Department budget currently list the Accountant position that was transferred to her office, and the position should only be listed once. Ms. Ross commented that we will want to make sure that things are booked so that the cost of the position is eligible for federal and state reimbursement.

Committee members asked Ms. Ross about the Community College (A2495.421) account, noting that the Budget Officer recommended reducing Ms. Ross' request of \$840,000 by \$40,000. Ms. Ross indicated that we have spent about \$400,000 so far in 2008, and she believes we will spend approximately \$800,000 this year. Legislator Timothy O'Grady stated that SUNY funding is slated to be cut so tuition fees will likely increase which may also increase attendance at community colleges. Legislator William Hall supported Mr. O'Grady's statement noting that as financial aid is cut, he believes there will be a 10 percent drop in four-year college freshman enrollment, and many of those students will now go to community colleges or two-year schools for financial reasons. Chairman of the Budget Committee Theodore Hopkins suggested that Budget Officer Margeson might want to reconsider his cut, and Mr. Margeson indicated that he would make a note.

Information Technology – 2009 Budget Review

Information Technology Director Deborah Button indicated that her budget is about the same as last year with the exception of her request to add a new position of Webmaster Trainee. Ms. Button indicated that she could possibly cut the position to part-time, but she definitely needs someone to help with this. Committee members discussed whether an employee or contract person might be best, noting that there are advantages and disadvantages to both. Legislator William Dibble questioned the large increase in the education account (A1680.421), and Ms. Button indicated that the Network Administrator needs to be trained on certain devices that we have purchased.

Ms. Button indicated that the major change to the telephone budget is for a necessary software upgrade to the telephone system which will cost approximately \$59,000. Ms. Button noted that she may try to implement half of the upgrade this year to save money in 2009.

Probation Department – 2009 Budget Review

Probation Director David Sirianni indicated that a few of the appropriation accounts such as mileage and telephone are up a little; however, his revenues are also up slightly. Mr. Sirianni stated that the additional six percent budget cuts proposed by the Governor could have a substantial effect on his budget. Committee members briefly discussed the home monitoring program and the expenses and revenues associated with that program.

Committee members talked about the requirement to provide the same services with less aid. Legislator Dibble suggested contacting our representatives regarding the need to cut programs, not just funding.

Office for the Aging – 2009 Budget Review

Office for the Aging Director Kimberley Toot distributed copies of a spreadsheet summarizing the expenses and budget requests associated with their 17 grants. Mrs. Toot noted that there are about 7,000 seniors over the age of 60 living in Allegany County. Mrs. Toot indicated that they are looking at a 22 percent increase in the cost of their Home Care Programs, a 20 cent per meal increase in the cost of their meals, as well as increases in mileage reimbursement and gasoline expenses. Their personnel costs have only increased 1.98 percent since last year, but health insurance costs have gone up considerably, although some of that will be reimbursed with federal and state grants. Mrs. Toot stated that her total 2009 budget calls for a \$59,000 increase (14%) in County funding; however, that figure does not include any additional state cuts that may be made in the future. Mrs. Toot indicated that she would like to know right away if the state plans to cut any of her funding, as you do not want to provide and pay for services and then find out after the fact that you will not be receiving reimbursement.

Legislator Hopkins stated that no rent costs are reflected in this budget. Mr. Margeson indicated that the Office for the Aging could possibly be relocated as early as April or May of 2009, and we may have to address taking rent costs out of the Contingency (A1990.4) account.

Mrs. Toot informed committee members that her department has been doing various things in hopes of cutting costs and operating more efficiently. They have talked about possibly delivering frozen meals to people that live on the edge of the County limits so that meals will not have to be delivered as often in hopes of saving gas. They are also looking at how collections are collected, and she will report back to the committee on this.

Proposed State Budget Cuts

Committee members discussed Governor Paterson's proposed budget cuts of \$250 million (six percent) to local governments. It was noted that they are not just cutting aid to counties, they are cutting the reimbursements for programs that county governments are required, by state statute, to deliver. Chairman Crandall talked about having a contingency plan in place in case the cuts are made. Mr. Crandall stated that we want to be able to say what we are going to do and what we will have to cut if the state moves forward with the proposed cuts. Legislator Dibble mentioned sending a letter to Albany, and Legislator Hopkins talked about making a referral to the Ways and Means Committee since the Budget Committee does not have the authority to sponsor a resolution. Legislator O'Grady questioned what the County is prepared to do, noting that we will be required to cut non-mandated programs.

Committee members also discussed the need to have a better handle on the costs in Social Services. Legislator O'Grady commented that there is a lot going on in Steuben County with welfare fraud, but there doesn't seem to be much going on here. What is the reason for this? Perhaps we need to hire an outside investigator, or perhaps our results simply are not publicized as much, and if that's the case, we need to be better about getting the message out. Committee members talked about the fact that departments will be required to submit an organizational chart with their annual reports now. County Treasurer Ross noted that some departments are not filling out the .1 budget sheets correctly so they are not as useful as they could be as far as who is currently on staff and what is being requested for 2009. Committee members indicated that they also need to look at Mr. Margeson's color-coded chart showing mandated and non-mandated programs.

Health Department – 2009 Budget Review

Public Health Director Lori Ballengee explained a salary change she would like to make to the newly requested position of Director of Preventive Services. Mrs. Ballengee stated that she has talked with representatives at Wilcare, and they hope to make the sale of the home health agencies

final in October. Legislator Fanton asked how much we will be saving in home health care once the sale goes through.

Committee members expressed concern about the figures on the spreadsheets, noting that they anticipated seeing large savings between the 2008 and 2009 budget figures due to the sale of the Certified Home Health Agency and Long Term Program, and it appears it is going to cost even more to run the Health Department. Legislator Hopkins pointed out that if the revenues are going down more than the expenses, you are not really any further ahead. Ms. Ross noted that the fringe benefits are not included in the budget figures, and some of the revenues also offset other things. Ms. Ross also stated that the figures used to determine potential savings from eliminating the CHHA and Long Term Program were based on cost reports rather than budget figures. The cost reports calculate a lot of things not seen in the budget like space usage, utilities, and costs associated with services from other departments. Some of these costs like utilities remain fairly constant regardless of how many programs they are charged back to. Committee members agreed that they want to know what the bottom line is and what they will be able to work with. The Accountant Pamela Cockle indicated that she could reconfigure some of the 2009 figures to reflect the changes that will be made when the CHAA and Long Term Program are sold and have it to legislators for their meeting tomorrow.

Mrs. Ballengee indicated that she has not heard anything regarding the federal and state fines that the Health Department will be required to pay; however, she believes it will be less than \$10,000 for the state. The fine figures were supposed to be available within six to nine months, and it has been about eight months.

Mrs. Ballengee noted that the number of people using the family planning services has increased dramatically, and they plan to expand that program.

Development Office – 2009 Budget Review

Development Director John Foels indicated that they requested the position of Resource Assistant in the budget again this year; however, they are not sure where they are going to go with this. The lease arrangement between the IDA and the County is reflected in the budget with account A6430.414 set at \$57,996. The \$20,000 contract with ACCORD for the Empire Zone is still in the budget, and there have been conversations about the possibility of increasing that appropriation due to reductions in New York State funding. The Empire Zone will need some type of additional funding before the end of the year, but Mr. Foels does not have a recommendation about increasing the figure at this point.

Mr. Foels indicated that they have shifted the funds previously budgeted in account A8020.1 (Planning – Personnel) for a Planner to the .4 contractual portion of the budget, and Mr. Foels believes that many of their planning needs can be fulfilled through a contractual arrangement. Mr. Foels briefly talked about our relationship with Alfred University and some of the work they have done for the County, noting that they have been a tremendous resource to the County. Legislator Dibble talked about getting grant money for projects, noting that the Planner position could have taken care of some of this. Mr. Foels stated that the planning function is very important, but it's also very expensive when you have to staff it, and he believes a contractual arrangement provides a good alternative. Mr. Foels indicated that as revenues increase for the County, perhaps monies can be earmarked to expand our planning functions as well as grant writing.

Emergency Services – 2009 Budget Review

Office of Emergency Services Director John Tucker stated that the largest increase in his budget can be seen under account A3640.414 which represents the rental of space at the Crossroads Center for EMS training. Mr. Tucker indicated that we used to find funding through member item grants, but we cannot guarantee that we will find funding for rent. NYS Health reimbursement for EMT training can be used for rent, but then those funds are not available for other expenses.

Mr. Tucker indicates that he anticipates that the revenue of federal aid for 50 percent of administrative expenses, which has been capped around \$14,000 to \$15,000, might be increased to \$20,000, but he didn't feel comfortable increasing that budget amount until he knows something for sure. Mr. Tucker noted that the \$63,000 in Homeland Security funding currently in his budget for the 2007 to 2010 period will need to be reappropriated to the 2009 budget, and that money has been earmarked for communication enhancements.

Fire Service – 2009 Budget Review

Fire Coordinator Paul Gallmann stated that the 911 Communications Coordinator Russ Hall is required to work a lot of overtime; however, most of the expense evens out because Mr. Hall is able to do a lot of things that we previously had to hire Saia to do. Mr. Gallmann suggested that the Board may want to consider making Mr. Hull a non-unit salary position so that he could also overlap 911 shifts. Mr. Gallmann also briefly talked about the possibility of restructuring 911 under its own department, stating that it could cut down on the confusion about who people report to.

Public Defender – 2009 Budget Review

Public Defender Barbara Kelley indicated that she was able to reduce her budget from 2008 since they were able to eliminate \$10,500 in secretarial services when the Assistant Public Defender positions were combined.

A motion was made by Legislator Dibble, seconded by Legislator Hall and carried to accept the budgets as presented with recommended changes by the Budget Officer.

Adjournment

There being no further business to come before the committee, a motion was made by Legislator O'Grady, seconded by Legislator Fanton and carried to adjourn the meeting.

Respectfully submitted,
Brenda Rigby Riehle, Clerk of the Board
Allegany County Board of Legislators

BUDGET COMMITTEE
Special Budget Review
August 13, 2008

**** NOT APPROVED ****

Committee Members Present

T. Hopkins, D. Fanton, W. Dibble, W. Hall, T. O'Grady, C. Crandall

Others Present

L. Ballengee, J. Colligan, J. Garmong, D. Horan, T. Hull, C. Lorow, J. Margeson, Y. Rechichi, B. Riehle, D. Roeske, P. Schmelzer, W. Tompkins

Board of Elections – 2009 Budget Review

Deputy Elections Commission Catherine Lorow stated that the biggest increase to their budget would be \$77,000 under account A1450.201 for the software license, usage, hardware and installation of all necessary equipment to do ballot definition and programming of memory cards. Ms. Lorow indicated that this will enable Allegany County to comply with the state law that all counties are required to do their own ballot definition. Ms. Lorow indicated that the cost is about \$50,000 the first year, and then maintenance will run about \$7,500 per year. Legislator Hall stated that there appears to be a few areas where we might experience some savings that will help offset some of the expenses associated with complying with the new HAVA regulations. After September 2009, other entities such as school districts will not be able to use the old lever machines, and it will probably be cost prohibitive for other entities to use our machines due to the cost of transportation, custodians and the programming of the flash cards. Budget Officer John Margeson asked if NYSAC (New York State Association of Counties) has done a survey to see what counties are doing individually about charging back towns. Ms. Lorow indicated that she does not know if there has been a survey, but many counties plan to charge back the towns.

Employment and Training – 2009 Budget Review

Employment and Training Director Jerry Garmong indicated that on the expense side, the only significant change in his budget is in transportation costs. Mr. Garmong explained that they have increased the payment for public assistance recipients that are mandated to come in from \$25 to \$40. Everything else has gone down primarily because their federal funding has declined about \$145,000. Mr. Garmong stated that they have been able to make up about \$70,000 of that through contracts with Social Services and another \$26,000 through a new program with five school districts. As far as a County commitment, Mr. Garmong is asking for another \$23,000 which would boost the County cost from \$45,000 to \$68,000. Mr. Garmong noted that anyone who is coded by Social Services as employable is mandated to come through the Employment and Training Centers, and that accounts for about a third of the people they see. The unemployment rate is going up, and Employment and Training is seeing more people all the time.

Sheriff's Office – 2009 Budget Review

Sheriff William Tompkins went through his budget line by line as there were many changes. Many of the increases seen can be associated with the increase in inmate population, as well as costs associated with housing federal inmates. There has also been a huge increase in the cost of ammunition and gasoline.

The A3112.403 (Sheriff – E911 Dispatch) account has increased approximately \$100,000 for software support and maintenance costs. The Sheriff indicated that he removed \$20,000 from A3112.403 because they will be receiving a member item from Senator Catharine Young, and Mr. Margeson indicated that the \$20,000 should be added back in and also reflected under revenues. Sheriff Tompkins also indicated that the \$14,000 appearing under A3112.421 was not accurate and should be \$8,000. It was noted that the Budget Officer decreased the \$412,119 requested for the

County match of the NYS Public Safety Interoperable Communications Grant Program to \$200,000 under account A3645.217.

Committee members talked about the cost and usage of supplies, noting that the amount expended halfway through the year may not represent half of what may be used or expended during the year, as the bulk of some items may be purchased earlier in the year and used throughout the year. Committee members also discussed the inmate housing summary. We appear to house an average of 61 inmates per day and can expect to receive approximately \$2 million in housing revenue.

Public Works – 2009 Budget Review

Public Works Superintendent David Roeske called committee members' attention to the bridge projects listed under the County Road Fund, noting that they will be transferred to 2009 Capital Projects.

Mr. Roeske stated that Budget Officer Margeson made a few cuts to his Buildings and Grounds accounts, but he believes he can live with them. Mr. Roeske noted that the money to repair the retaining wall by the front parking lot has been removed from his budget again this year. Mr. Margeson suggested that if we have money in Contingency (A1990.4) at the end of 2008, we could place the funds in a capital account earmarked to repair the retaining wall.

Legislator Hopkins questioned the fuel used for the generator, and Mr. Roeske indicated that the generator is required to come on once a week and run for about an hour.

Mr. Roeske stated that the Budget Officer cut \$13,000 from his \$100,000 request under A8160.497 for sampling of groundwater and leachate, and he is going to either need those funds back or have them taken from another account. Mr. Margeson indicated that he will plan to add the \$13,000 back to that account.

Mr. Roeske indicated that they budgeted \$487,500 under the County Road Fund for gasoline/oil (D5110.422) based on prices back in July. The Budget Officer recommended reducing the account to \$340,000. Mr. Roeske stated that although prices have come down slightly, he still believes that they are going to need at least \$400,000 in that account. The state bid price for diesel is currently \$3.60 and for unleaded the price is \$3.19. Mr. Margeson suggested they monitor the prices, and the number can be adjusted toward the end of the budget process if necessary.

Legislator Timothy O'Grady talked about the four-day work week and asked if there would be any savings in having the four-day work week year round. Other committee members thought it could be difficult with having to plow snow, etc. Mr. O'Grady also mentioned that he did not understand the advantage to having towns plow County roads, and Mr. Roeske and Legislator Dwight Fanton, Chairman of the Public Works Committee, indicated that much of the savings comes from not having to replace equipment. Committee members also talked about the CHIPS funding and how it affects the Public Works budget.

Mr. Roeske stated that the Budget Officer cut his \$280,000 request under DM5130.204 by \$100,000. Mr. Roeske indicated that \$200,000 is earmarked for the reconditioning of the bridge maintenance unit which they are required to refurbish every two years as a safety measure. Mr. Margeson indicated that \$20,000 can be added back to the account so that the bridge maintenance unit can be reconditioned.

Social Services – 2009 Budget Review

Social Services Commissioner Patricia Schmelzer stated that her budget is about the same as last year, but she is nervous about the state cuts proposed in Albany. Legislator Dibble suggested that we should ask the state to revamp and drop the programs that they will not be funding.

Mrs. Schmelzer briefly explained how the HEAP Program works and indicated that she put some extra money in for emergency fuel situations.

Mrs. Schmelzer talked about a few positions that she would like to leave in the budget, and she mentioned the cuts made to her .2 equipment requests. Mrs. Schmelzer's \$15,000 request under the A6010.204 motor vehicle account was removed by the Budget Officer, and committee members suggested that Social Services might be able to use some of the old Health Department vehicles. It was noted that Mrs. Schmelzer should submit a request to Mr. Margeson regarding the usage of the Health Department vehicles.

Budget Committee Chairman Hopkins questioned the \$76,220 expense listed under A6010.421 for school and training. Mrs. Schmelzer indicated that is education for Social Services employees, and it is all funded with state and federal money with no local share. Legislator Hopkins pointed out that we are getting charged on the other end if someone attends a community college.

Mrs. Schmelzer talked about the contracts they have with others such as the Health Department, ACCORD, Office for the Aging, Sheriff's Office, Information Technology and County Attorney's Office.

Medicaid costs (A6101.4) were budgeted at \$10,230,435 and are based on a fixed annual three percent increase.

County Administrator – 2009 Budget Review

County Administrator John Margeson reviewed the budget requests for County Administrator (A1011), Auditor (A1320), Budget (A1340), Assigned Counsel (A1171), and Risk Retention Health (CSH Fund). The County Administrator's requests for his account are slightly less than last year as he does not need any equipment, and the LaBella contract is over. There were no changes to the Auditor and Budget accounts from the previous year.

Mr. Margeson indicated that he increased the Assigned Counsel A1171.430 account by \$50,000 for a total of \$350,000 as hourly rates rose significantly a few years ago. County Treasurer Ross reported that we have spent about \$236,000 so far this year, and we spent \$372,000 last year.

Mr. Margeson indicated that he increased the Risk Retention Health Fund by \$530,000 for a total of \$5.8 million, but it might not be enough. Our increases have been running about eight percent. Ms. Ross indicated that the net General Fund contribution for this fund was about \$5.85 million in 2007. So far this year, we've spent \$2.65 million and claims tend to run late. It was noted that if additional monies can be put in the County budget, this is where they should be put.

Miscellaneous Questions, Etc.

Legislator Timothy O'Grady asked when we are going to talk about money for the Court Facilities addition. Legislator Hopkins stated that we need to start building money in there. It was noted that \$500,000 has been placed in Contingency. Legislator Hopkins suggested that another meeting should be scheduled once everything is put together regarding the new Court Facilities.

Legislator Fanton asked when we can expect to receive the total assessed value figure for the County, and Ms. Ross indicated that the figure is usually available right before the final budget is adopted.

Chairman Curtis Crandall stated that on the revenue side of the Sheriff's Budget there is \$1.5 million for housing in, and the bond payment is \$1.6 million. In the 2008 budget, we have monies in there that were taking care of the debt service so we should have some overall gain. Mr. Margeson stated that although we are bringing in more revenue in 2008 than budgeted, the expenses in the jail will be higher than originally budgeted. Mr. Crandall indicated that he is not totally comfortable with the way the expenses for the new Public Safety Facility are being tracked especially when expenses for different items appear in different budgets, and he expressed concern about being able to easily

see the bottom line of what it costs to run the new facility. He said we need to have a good handle on the bottom line so that we can have an accurate history when we are looking at the 2009 budget.

Health Department – 2009 Budget Review

Legislator Theodore Hopkins, Chairman of the Budget Committee, stated when you cut something out of your budget because it's losing money, why is it costing more the next year? Ms. Ross noted that some of the savings will not show directly under the Health Department, and Ms. Ross also reminded committee members that the figures they were looking at when they were deciding to sell home care were cost figures rather than budget figures. Public Health Director Lori Ballengee stated that we never hit our projected revenues in the past, and we should have a better handle on revenues when home care is gone.

Terri Ross distributed a spreadsheet revised from yesterday's meeting showing the 2009 budget requests minus the nursing expenses associated with the Certified Home Health Agency and Long Term Program that are being sold. There appears to be a \$464,158 increase in local share from 2008 to 2009. It was noted that the bulk of the increase in County share comes from a \$228,500 increase in the Special Education PHC Program (A2960). Why has this category increased so drastically? One reason is that more children are being diagnosed with conditions that qualify for services. It was also noted that the program is controlled by the State Education Department, and with every child there is a care plan that tells what services are needed. Mrs. Ballengee briefly talked about how providers bill for services. Mrs. Ballengee also talked about costs associated with sending children to a learning center versus having a therapist going to a home. Funding for this program has been a huge argument for the County for years – it should be an education expense.

The County tax dollars needed to support the Health Department for 2007, 2008 and 2009 are as follows:

FY 2007 (Using actual expenditures as of 12/31/2007)	\$1,693,693
FY 2008 (Using amended budget as of 08/12/08)	\$1,761,543
FY 2009 (Using Budget Officer recommendations)	\$1,726,280

A motion was made by Legislator Dibble, seconded by Legislator Fanton and carried to accept the budgets as presented with recommended changes by the Budget Officer.

Future Meetings

Ms. Ross indicated that she will have the budget workbooks to committee members on August 25. The next special Budget Committee meeting will be held Monday, September 8, at noon.

Adjournment

There being no further business to come before the committee, a motion was made by Legislator Fanton, seconded by Legislator Hall and carried to adjourn the meeting.

Respectfully submitted,
Brenda Rigby Riehle, Clerk of the Board
Allegany County Board of Legislators

BUDGET COMMITTEE
August 20, 2008

**** NOT APPROVED ****

Committee Members Present

T. Hopkins, W. Dibble, C. Crandall
(Absent: D. Fanton, W. Hall, T. O'Grady)

Others Present

L. Ballengee, D. Burdick, P. Cockle, W. Goetschius, R. Hartwick, D. Horan, C. Ivers, J. Margeson, M. McCormick, V. Pettit, D. Pullen, B. Reynolds, B. Riehle, D. Roeske, P. Schmelzer, K. Toot

Approval of Minutes

The July 16, 2008 Budget Committee minutes were approved on a motion by Legislator Dibble, seconded by Chairman Crandall and carried.

Social Services Department – Mid-Year Budget Review

Social Services Commissioner Patricia Schmelzer distributed copies of her financial report as of June 30, 2008. Mrs. Schmelzer indicated that they have expended approximately \$14.3 million of their \$34.3 million budget, and they are projecting that they will spend a total of approximately \$28.7 million by year end. They have collected approximately \$10.6 million of the \$20.5 million in revenue budgeted for 2008, and they project they will receive a total of approximately \$17.3 million in revenue. The projection of County dollars required to run the Social Services Department in 2008 is approximately \$11.4 million.

Public Works Department – Mid-Year Budget Review

Public Works Superintendent David Roeske distributed copies of his financial report as of July 31, 2008. Mr. Roeske indicated that his revenue collections are in line or slightly ahead of schedule. Mr. Roeske indicated that they are having a few problems with their fuel accounts under Solid Waste (A8160.422) which they expect to fall short by approximately \$70,000 and the County Road Fund (D5110.422) which they believe may run short by approximately \$120,000. Mr. Roeske indicated that they plan to cover the shortfalls in Solid Waste by not purchasing a few containers, and the shortfalls in the County Road Fund will be covered by postponing some work they had planned to do. Mr. Roeske indicated that they keep track of their fuel usage every year, and he should know by January how much gas has been saved over prior years by some of the usage-saving measures they implemented.

Health Department – Mid-Year Budget Review

Public Health Director Lori Ballengee distributed copies of her financial report as of June 30, 2008. The Health Department has collected approximately 32.65 percent of budgeted revenues and expended approximately 25.51 percent of budgeted appropriations. The figures are below projected amounts primarily due to the sale of the Home Care Agency. The projected revenue collections and appropriation expenditures are anticipated to be approximately one-half of the original budgeted figures – projected revenues are \$3.1 million out of a \$6.2 million budget, and projected expenses are \$3.7 million out of a \$7.4 million budget.

Sheriff's Office – Mid-Year Budget Review

Sheriff's Office Accountant Randy Hartwick distributed copies of his financial report, noting that they may be over budget by approximately \$488,462 this year. Mr. Hartwick indicated that postage, overtime, fuel, software maintenance and food supply are all problem areas.

The Sheriff's Office houses an average of 65 inmates per day, and they anticipate receiving over \$2 million in revenue between housing and transporting inmates. For housing Federal inmates,

the Sheriff's Office has collected approximately \$1.26 million, and they project they will receive approximately \$1.8 million by the end of the year.

Mr. Hartwick also distributed copies of a report showing overtime hours by payroll period. So far this year, approximately 32,000 overtime hours have been worked in the Sheriff's Office at an estimated cost of \$808,749. Undersheriff William Goetschius stated that overtime costs are a big factor in the overall budget overage. They are in the process of hiring ten new people, and another test will be given again in the fall. Adding new people should help with some of the overtime costs especially when you consider that the "No Part-time Available" overtime category makes up close to 12 percent of all overtime figures with almost 4,000 hours worked under this category already this year. Jail Administrator Christopher Ivers stated that contractual obligations account for 52.27 percent of the overtime hours worked. Some of the contractual obligations include the following overtime categories and corresponding hours worked so far this year:

Shift Briefing	2,347.25 hours	7.33% of total
Sunday Premium	4,303.00 hours	13.43% of total
Holiday	2,924.00 hours	9.13% of total
Sick Coverage	1,949.50 hours	6.09% of total
Open Slot	2,720.00 hours	8.49% of total

Mr. Ivers stated although we receive some reimbursement, the "Federal Transport" and "Federal Hospital" overtime categories also show big overtime numbers for us. On a positive note, 207C (Workers' Compensation) overtime hours have been eliminated and sick time hours are also decreasing. It was noted that our 2008 overtime hours are about 6,800 more than last year at this time, but our operation is also a lot bigger now. Committee members discussed the differences between 2007 and 2008 hours under specific categories. The overtime hours under the categories of "207C" and "Court" have improved dramatically this year. Committee members briefly discussed the overtime categories making up the discretionary overtime hours.

Office for the Aging – Mid-Year Budget Review

Office for the Aging Director Kimberley Toot distributed copies of her financial report as of June 30, 2008, noting that the accounts are accurate and very close to projections. Mrs. Toot stated that increases in state revenues have covered all increases in expenses that they have come up against so far. Mrs. Toot indicated that she will be participating in a conference call with the New York State Office for the Aging tomorrow to discuss possible cuts. Mrs. Toot asserted that if the County is sanctioned for noncompliance with the Office of Court Administration, the Office for the Aging would lose hundreds of thousands of dollars, and they would probably be forced to shut down since the programs are not mandated.

Sales Tax Report

Budget Committee Chairman Theodore Hopkins distributed copies of a Sales Tax Report reflecting receipts through August 13, 2008, totaling \$11,345,680.50 and interest totaling \$12,129.57 which is up about 12 percent (\$1,216,164.22) over last year's figures.

We are in good shape compared to last year, and sales tax revenues for the year are projected to reach \$19.28 million. It was noted that we budgeted \$17.3 million for sales tax revenue in the 2008 budget. Committee members agreed that although this is excellent news, figures can change very quickly, and we need to keep a logical handle on it. Mr. Margeson explained that the interest showing on the report represents the interest we have made from our investments.

Committee members talked about the increase in gas prices being one factor that has driven the sales tax revenue up. Legislator Dan Russo said that it would be interesting to know if shopping habits have declined with rising gas prices. Legislator Brent Reynolds briefly mentioned a legislative bill that will be considered regarding zone pricing to address the varying gas prices at the pumps.

Miscellaneous Revenue Receipts

Mr. Margeson pointed out that we have received 74 percent of our budgeted revenue for interest and earnings. In addition, account A2690.00 (Tobacco Settlement) was budgeted at \$825,000 for 2008, and we ended up receiving \$846,278. Committee members briefly discussed the tobacco settlement money.

Revenue from Housing Inmates

Legislator Michael McCormick asked how we handle money that is received from housing inmates in excess of our bond payment. Mr. Margeson indicated that right now the money falls to General Fund, and the Board will have to discuss how we want to book this money. Some suggested the money should be transferred to a reserve account for debt payment on the jail. It was noted that the jail bond was issued for 23 years, and there is a pre-payment option which can be exercised at any time. Legislator David Pullen asked if the resolution addressing a reserve account for the payment of debt on the jail indicated how money can be used once it's in the reserve account.

Resolutions from Other Entities

Committee members reviewed the following Resolutions:

2008 NYSAC Legislative Conference, Resolution #01 – Resolution Calling on the Governor and State Legislature to End the Practice of Passing Costs for State Programs to County Government and our Property Taxpayers

Ontario County Draft Resolution Dated August 13, 2008 – Recommendations for Responsible New York State Budget Corrections

The Ways & Means Committee will also be reviewing both resolutions at their meeting this afternoon. Legislator William Dibble stated that the Inter-County Association ended up tabling the Ontario County Resolution, and the President of the Inter-County Association plans to send a letter to the Governor regarding budgetary concerns. A motion was made by Legislator Dibble, seconded by Legislator Crandall and carried to support the NYSAC resolution and request the Ways & Means Committee to sponsor a resolution. **Refer to Ways & Means Committee**

Mid-Year Departmental Reports

Mid-year financial reports for the following departments were distributed to committee members for their review: Development, Planning, Tourism, STOP DWI, and Youth Bureau.

Adjournment

There being no further business to come before the committee, the meeting was adjourned on a motion by Legislator Dibble, seconded by Legislator Crandall and carried.

Respectfully submitted,
Brenda Rigby Riehle, Clerk of the Board
Allegany County Board of Legislators

BUDGET COMMITTEE
Special Budget Review
August 25, 2008

**** NOT APPROVED ****

Committee Members Present

T. Hopkins, D. Fanton, W. Dibble, W. Hall, T. O'Grady, C. Crandall

Others Present

D. Aumick, K. Kruger, J. Margeson, B. Reynolds, B. Riehle, T. Ross, D. Russo, N. Ungermann

Approval of Minutes

The August 12 and 13, 2008 Budget Committee minutes were approved on a motion by Legislator O'Grady, seconded by Legislator Fanton and carried.

Youth Bureau – 2009 Budget Review

Youth Bureau Director Deborah Aumick stated that her 2009 Youth Bureau budget increased by \$2,054 over last year. The increase represents a change in how the benefits for the Director and Senior Account Clerk are booked. In the past, expenses associated with benefits have appeared under the STOP DWI budget which uses no local tax dollars; however, that practice has been "red flagged" by the state, and the Youth Bureau budget will have to reflect some of the expense. Ms. Aumick indicated that she decreased the mileage account, and all other line items are about the same as last year.

Ms. Aumick stated that she has told all vendors to get their claims in as soon as possible as there is a possibility that the state may not pay them if they are not submitted by a certain date. County Treasurer Terri Ross confirmed what Ms. Aumick was saying, noting that the state operates on a cash basis, and any leftover funds not spent by a certain date may be cut. Committee members briefly discussed the County's practice of paying vendors and then submitting the claims to the state. County Administrator/Budget Officer John Margeson recommended submitting the claims received from vendors directly to the state, and letting the state cut the checks. Committee members talked about the need to let vendors know that there is a possibility that New York State might not be reimbursing them, and that Allegany County cannot guarantee payment. Ms. Aumick indicated that her office is sending letters and making phone calls to vendors about this issue.

STOP DWI – 2009 Budget Review

Ms. Aumick indicated that the STOP DWI program is funded by drunk driving fines, and funding should remain stable. Overall the STOP DWI budget is about \$1,000 higher than last year.

Community Services – 2009 Budget Review

Mr. Margeson stated that the Community Services budget is based on state and federal aid, and the County contribution has remained the same for years.

A motion was made by Legislator Fanton, seconded by Legislator Hall and carried to accept the budgets as presented with recommended changes by the Budget Officer.

State Budget Cuts

Ms. Ross stated that she attended a meeting last week regarding the state budget cuts. She should be receiving an electronic copy of a presentation regarding the budget which she will share with committee members. Ms. Ross indicated that representatives from NYSAC went in and tried to get anything that might be detrimental to the counties off the table, and they were able to avoid a majority of the proposed cost shifts that affect counties. NYSAC put together a nice spreadsheet listing all programs and their percentage in the budget. Ms. Ross indicated that NYSAC plans to hold

a strategic planning session at the upcoming conference in September regarding the 2009 state budget.

Adjournment

There being no further business to come before the committee, a motion was made by Legislator Dibble, seconded by Legislator Fanton and carried to adjourn the meeting.

Respectfully submitted,
Brenda Rigby Riehle, Clerk of the Board
Allegany County Board of Legislators

BUDGET COMMITTEE
September 8, 2008

**** NOT APPROVED ****

Committee Members Present

T. Hopkins, D. Fanton, W. Dibble, W. Hall, T. O'Grady, C. Crandall

Others Present

K. Kruger, J. Margeson, B. Riehle, T. Ross, D. Russo

Approval of Minutes

The August 20 and 25, 2008 Budget Committee minutes were approved on a motion by Legislator O'Grady, seconded by Legislator Fanton and carried.

2009 Budget

Budget Officer John Margeson indicated that the preliminary 2009 budget calls for a tax increase; however, he plans to make several cuts that will lower the projected tax increase. Mr. Margeson plans to discuss his proposed cuts with the County Treasurer and will forward them to committee members later in the week.

Committee members briefly discussed the concept of using money remaining from previous years toward balancing the upcoming year's budget. It was noted that we currently have \$2.9 million in fund balance. Some of the comments included the following points:

- We should budget for all of our operating expenses in a given year and not count on the fund balance.
- A small portion of the fund balance could be used to make the tax increase more palatable.
- We just recently got back in the black; we should not get in the habit of using the fund balance as an income source.

Legislator Dwight Fanton asked if the capital projects have been funded in the 2009 budget, and Mr. Margeson indicated that the funding for the four bridges is currently in the 2009 budget. Chairman Crandall stated that we have had some out-of-pocket expenses associated with both the Crossroads and Courthouse Projects and suggested that perhaps our fund balance could be applied toward some of these expenses. It was noted that the County does have permission to use the funds (approximately \$400,000) from the LLRW Reserve Fund toward development projects.

Budget Committee Chairman Theodore Hopkins stated that about \$500,000 of the \$2.9 million in fund balance represents revenue from housing inmates. County Treasurer Ross indicated that the money received in 2007 was not appropriated to a reserve account. The reserve account was created by Resolution No. 118-04; however, the resolution does not specify the funding of this reserve, and for 2008 the revenues were budgeted as General Fund revenues to defray a larger tax increase. The money from 2007 did fall to fund balance and can be appropriated at any time. Legislator Karl Kruger expressed concern that none of the revenue received from housing inmates has been placed in the Jail Reserve account. Committee members discussed the process to fund the Reserve Fund as well as the process to use money appropriated to the Reserve Fund to make our bond payment. Committee members also briefly discussed how the budgeting method of the revenue received from housing inmates affects the overall budget. Theodore Hopkins stated that he believes the committee members would like to reserve the money, but they do not want it to have a negative impact on the budget. Committee members discussed placing the revenue received in excess of the annual bond payment in the Jail Reserve Fund.

Adjournment

There being no further business to come before the committee, a motion was made by Legislator O'Grady, seconded by Legislator Hall and carried to adjourn the meeting.

Respectfully submitted,
Brenda Rigby Riehle, Clerk of the Board
Allegany County Board of Legislators

BUDGET COMMITTEE
September 17, 2008

**** NOT APPROVED ****

Committee Members Present

T. Hopkins, D. Fanton, W. Dibble, T. O'Grady, C. Crandall
(Absent: W. Hall)

Others Present

J. Margeson, D. Pullen, B. Riehle, T. Ross, E. Ruckle

Media Present

B. Quinn – Wellsville Daily Reporter

Approval of Minutes

The September 8, 2008 Budget Committee minutes were approved on a motion by Legislator Dibble, seconded by Legislator O'Grady and carried.

Sales Tax Report

County Treasurer Terri Ross distributed copies of a Sales Tax Report reflecting receipts through September 13, 2008, totaling \$12,596,390.35 and interest totaling \$13,370.74 which is up about 11.43 percent (\$1,292,340.04) over last year's figures. It was noted that the Truck Stop is still not selling diesel fuel, but we have not seen a negative impact in our overall sales tax collections yet.

Legislator David Pullen stated that when Shawn Hogan, Mayor of the City of Hornell, spoke at our last Board meeting regarding complying with the state relative to facilities for the Court System, he indicated that if the state had imposed sanctions, it would have included sales tax revenue. Legislator Pullen asked if Allegany County's sales tax revenue will be withheld if sanctions are imposed on us for noncompliance. Ms. Ross stated that it is unclear what the state might do. There does not appear to be any experience for counties, and a city has a different kind of flow. Ms. Ross indicated that she has been corresponding with NYSAC about this issue, and they have not been able to obtain any answers yet. Ms. Ross stated that she does not know if the County's cash flow would be cut off immediately or not, but either way it will have a huge impact on Allegany County's finances. Legislator Timothy O'Grady commented that the answers to some of these questions could make a difference in how some legislators vote.

2009 Budget Review

County Administrator/Budget Officer John Margeson indicated that he plans to make the following changes to the preliminary 2009 Budget before filing the Tentative Budget:

Changes to Appropriations Accounts:

Reduce Long Term Health Care Personnel	A4040.1
From \$30,168 to \$0	(\$30,168)

Reduce Jail Personnel From \$4,257,805 to \$3,807,805	A3150.1 (\$450,000)	
Reduce Central Service Computer Personnel From \$240,065 to \$212,692	A1680.1 (\$27,373)	
Reduce Social Services Personnel From \$4,604,493 to \$4,391,739	A6010.1 (\$212,754)	
Reduce Buildings and Grounds Personnel From \$364,842 to \$340,653	A1620.1 (\$24,189)	
Reduce Jail Buildings/Grounds From \$121,867 to \$90,735	A3152.1 (\$31,132)	
Reduce Sheriff's Admin. Personnel From \$973,562 to \$947,562	A3110.1 (\$26,000)	
Remove \$100,000 from appropriation to Vehicle Purchase Reserve Fund		(\$100,000)
Reduce Social Security From \$1,700,775 to \$1,350,775	A9030.803 (\$350,000)	Still discussing w/Treas.
Reduce County Road Fund State Retirement From \$250,000 to \$220,000	D9010.802 (\$30,000)	
Reduce a variety of Departmental Personnel accounts based on salary increase requests totaling		(\$83,750)

Changes to Revenue Accounts:

Appropriate \$85,000 for 2009 Willcare payment		(\$85,000)
Increase Solid Waste Permit Revenues From \$425,000 to \$550,000	A02.2130.04	(\$125,000)
Increase Housing Other Counties Revenue From \$20,000 to \$50,000	A03.2264.06 CT	(\$30,000)
Increase Housing Federal Prisoners From \$1,513,000 to \$1,800,000	A03.2264.06 FD	(\$287,000)
Increase Tobacco Settlement From \$825,000 to \$850,000	A07.2690.00	(\$25,000)
Increase Reimburse Medicare Part D Revenue From \$0 to \$100,000	A08.2700. MCED	(\$100,000)

Changes made to the Budget prior to the filing of the Tentative Budget, do not require a resolution. Mr. Margeson indicated that he plans to make some additional changes over the next five to seven days, and he would like to meet with the committee one more time before September 30.

Legislator Dwight Fanton stated that he thought that revenue received for housing inmates above and beyond the bond payment would be going into the Reserve Fund. Mr. Margeson suggested that we might want to recognize it as a General Fund revenue, and after the books are closed, the Board can move any surplus to a Reserve account. Legislator Fanton stated that he did not realize that the revenue received from housing inmates could be used toward offsetting General Fund expenses; he thought the revenue received in excess of the bond payment had to go into the Reserve Fund. County Treasurer Terri Ross indicated that the resolution is rather vague, and it does not list the funding source. Budget Committee Chairman Theodore Hopkins stated that we are incurring additional expenses due to housing in so he doesn't believe we want to dedicate all of the revenue received to the Reserve Fund. Mr. Margeson believes that we are complying with the spirit of the resolution. Chairman Curtis Crandall stated that some legislators thought the revenue should automatically be going into a Reserve Fund; however, it is not an automatic shift without legislative action. If we want revenue to go into a Reserve Fund, the Board would have to direct the County Treasurer accordingly. Mr. Margeson suggested that we close the 2008 Budget and then make some decisions about how to fund the Reserve.

Future Meetings

The next meeting will be after the Committee of the Whole meeting on Monday, September 22, 2008.

Adjournment

There being no further business to come before the committee, the meeting was adjourned on a motion by Legislator Fanton, seconded by Legislator Dibble and carried.

Respectfully submitted,
Brenda Rigby Riehle, Clerk of the Board
Allegany County Board of Legislators

BUDGET COMMITTEE
September 17, 2008

**** NOT APPROVED ****

Committee Members Present

T. Hopkins, D. Fanton, W. Dibble, T. O'Grady, C. Crandall
(Absent: W. Hall)

Others Present

J. Margeson, D. Pullen, B. Riehle, T. Ross, E. Ruckle

Media Present

B. Quinn – Wellsville Daily Reporter

Approval of Minutes

The September 8, 2008 Budget Committee minutes were approved on a motion by Legislator Dibble, seconded by Legislator O'Grady and carried.

Sales Tax Report

County Treasurer Terri Ross distributed copies of a Sales Tax Report reflecting receipts through September 13, 2008, totaling \$12,596,390.35 and interest totaling \$13,370.74 which is up about 11.43 percent (\$1,292,340.04) over last year's figures. It was noted that the Truck Stop is still not selling diesel fuel, but we have not seen a negative impact in our overall sales tax collections yet.

Legislator David Pullen stated that when Shawn Hogan, Mayor of the City of Hornell, spoke at our last Board meeting regarding complying with the state relative to facilities for the Court System, he indicated that if the state had imposed sanctions, it would have included sales tax revenue. Legislator Pullen asked if Allegany County's sales tax revenue will be withheld if sanctions are imposed on us for noncompliance. Ms. Ross stated that it is unclear what the state might do. There does not appear to be any experience for counties, and a city has a different kind of flow. Ms. Ross indicated that she has been corresponding with NYSAC about this issue, and they have not been able to obtain any answers yet. Ms. Ross stated that she does not know if the County's cash flow would be cut off immediately or not, but either way it will have a huge impact on Allegany County's finances. Legislator Timothy O'Grady commented that the answers to some of these questions could make a difference in how some legislators vote.

2009 Budget Review

County Administrator/Budget Officer John Margeson indicated that he plans to make the following changes to the preliminary 2009 Budget before filing the Tentative Budget:

Changes to Appropriations Accounts:

Reduce Long Term Health Care Personnel	A4040.1
From \$30,168 to \$0	(\$30,168)

Reduce Jail Personnel From \$4,257,805 to \$3,807,805	A3150.1 (\$450,000)	
Reduce Central Service Computer Personnel From \$240,065 to \$212,692	A1680.1 (\$27,373)	
Reduce Social Services Personnel From \$4,604,493 to \$4,391,739	A6010.1 (\$212,754)	
Reduce Buildings and Grounds Personnel From \$364,842 to \$340,653	A1620.1 (\$24,189)	
Reduce Jail Buildings/Grounds From \$121,867 to \$90,735	A3152.1 (\$31,132)	
Reduce Sheriff's Admin. Personnel From \$973,562 to \$947,562	A3110.1 (\$26,000)	
Remove \$100,000 from appropriation to Vehicle Purchase Reserve Fund		(\$100,000)
Reduce Social Security From \$1,700,775 to \$1,350,775	A9030.803 (\$350,000)	Still discussing w/Treas.
Reduce County Road Fund State Retirement From \$250,000 to \$220,000	D9010.802 (\$30,000)	
Reduce a variety of Departmental Personnel accounts based on salary increase requests totaling		(\$83,750)

Changes to Revenue Accounts:

Appropriate \$85,000 for 2009 Willcare payment		(\$85,000)
Increase Solid Waste Permit Revenues From \$425,000 to \$550,000	A02.2130.04 (\$125,000)	
Increase Housing Other Counties Revenue From \$20,000 to \$50,000	A03.2264.06 CT (\$30,000)	
Increase Housing Federal Prisoners From \$1,513,000 to \$1,800,000	A03.2264.06 FD (\$287,000)	
Increase Tobacco Settlement From \$825,000 to \$850,000	A07.2690.00 (\$25,000)	
Increase Reimburse Medicare Part D Revenue From \$0 to \$100,000	A08.2700. MCED (\$100,000)	

Changes made to the Budget prior to the filing of the Tentative Budget, do not require a resolution. Mr. Margeson indicated that he plans to make some additional changes over the next five to seven days, and he would like to meet with the committee one more time before September 30.

Legislator Dwight Fanton stated that he thought that revenue received for housing inmates above and beyond the bond payment would be going into the Reserve Fund. Mr. Margeson suggested that we might want to recognize it as a General Fund revenue, and after the books are closed, the Board can move any surplus to a Reserve account. Legislator Fanton stated that he did not realize that the revenue received from housing inmates could be used toward offsetting General Fund expenses; he thought the revenue received in excess of the bond payment had to go into the Reserve Fund. County Treasurer Terri Ross indicated that the resolution is rather vague, and it does not list the funding source. Budget Committee Chairman Theodore Hopkins stated that we are incurring additional expenses due to housing in so he doesn't believe we want to dedicate all of the revenue received to the Reserve Fund. Mr. Margeson believes that we are complying with the spirit of the resolution. Chairman Curtis Crandall stated that some legislators thought the revenue should automatically be going into a Reserve Fund; however, it is not an automatic shift without legislative action. If we want revenue to go into a Reserve Fund, the Board would have to direct the County Treasurer accordingly. Mr. Margeson suggested that we close the 2008 Budget and then make some decisions about how to fund the Reserve.

Future Meetings

The next meeting will be after the Committee of the Whole meeting on Monday, September 22, 2008.

Adjournment

There being no further business to come before the committee, the meeting was adjourned on a motion by Legislator Fanton, seconded by Legislator Dibble and carried.

Respectfully submitted,
Brenda Rigby Riehle, Clerk of the Board
Allegany County Board of Legislators

BUDGET COMMITTEE
September 22, 2008

**** NOT APPROVED ****

Committee Members Present

T. Hopkins, D. Fanton, W. Dibble, W. Hall, T. O'Grady, C. Crandall

Others Present

J. Margeson, B. Riehle, T. Ross, N. Ungermann

2009 Budget Review

County Administrator/Budget Officer John Margeson indicated that he plans to make the following changes to the preliminary 2009 Budget before filing the Tentative Budget:

Transfer \$300,000 from Debt Service Unappropriated Fund Balance to Debt Service	(\$300,000)
Decrease A6101.474 Medicaid from \$9,380,435 to \$9,210,435	(\$170,000)
Transfer \$200,000 from CHIPS Revenue to Debt Service	(\$200,000)
Add \$35,000 to A3152.416	(\$ 35,000)
Increase A10.3610.00 DSS Administration (State) from \$1,396,338 to \$1,496,338	(\$100,000)
Increase A11.4610.00 DSS Administration (Federal) from \$2,867,444 to \$2,917,444	(\$ 50,000)
Increase A10.3670.00 State Reimb. P.O.S. from \$500,000 to \$550,000	(\$ 50,000)

Committee members discussed the process of paying back the Debt Service Fund. It was noted that CHIPS revenue can be used to pay Debt Service on money we borrowed on bridges and heavy equipment; however, it reduces the paving we can do. Legislator William Hall commented that when we use \$200,000 of CHIPS money in this way as a "one time deal," we end up starting next year \$200,000 behind if we don't do the same thing.

Mr. Margeson indicated that he discussed the changes to the Social Services budget with the DSS Accountant Don Horan who is comfortable with the changes.

Mr. Margeson indicated that he has a few more budget adjustments to make, and he hopes to file the tentative budget on or around September 30. The tax levy has increased approximately \$886,000 or 3.62 percent over last year. However, the County taxable assessed value has also increased from \$16.40 to \$16.57/\$1,000 so our projected tax rate increase currently stands at one (1) percent.

Future Meetings

There will be a Committee of the Whole meeting from 10 to 11:30 a.m. on October 14, 2008, to review the 2009 tentative budget.

Adjournment

There being no further business to come before the committee, the meeting was adjourned on a motion by Legislator Fanton, seconded by Legislator Dibble and carried.

Respectfully submitted,
Brenda Rigby Riehle, Clerk of the Board
Allegany County Board of Legislators

BUDGET COMMITTEE
October 15, 2008

**** NOT APPROVED ****

Committee Members Present

T. Hopkins, D. Fanton, W. Dibble, W. Hall, C. Crandall
(Absent: T. O'Grady)

Others Present

J. Margeson, B. Reynolds, B. Riehle, D. Roeske, T. Ross

Approval of Minutes

The September 17 and 22, 2008 Budget Committee minutes were approved on a motion by Legislator Fanton, seconded by Legislator Dibble and carried.

Consolidated Highway Improvement Program

Public Works Superintendent David Roeske distributed copies of a spreadsheet entitled, "Consolidated Highway Improvement Program" which summarizes the CHIPS revenue received, CHIPS used to pay Debt Service and road paving, price of hot mix, miles paved and average cost per mile to pave for the last 20 years. It was noted that in some years, CHIPS money was used for bridges, a salt storage building, milling, sidewalks, curbing, storm drainage system, etc. instead of strictly paving. Prior to 1991, paving projects were funded with local funds and completed "in-house" with County forces. In 2001, the Operation and Maintenance portion of CHIPS was eliminated and dedicated as the Capital portion only.

Mr. Roeske noted that we are back to 1999 funding levels with costs that have tripled. Mr. Roeske indicated that between the actual CHIPS cuts and increased amount the County plans to dedicate to pay Debt Service this coming year, the funds available for paving projects are down about \$600,000. Mr. Roeske asserted that roads and bridges exceed other County assets, and we are not taking care of them in the way that we should. Mr. Roeske indicated that it would take about \$3 million to put them where they should be. Mr. Roeske stated that to keep up with our 344.58 miles of roads we should pave approximately 30 miles per year which would put us on a 12 year rotation.

Sales Tax Report

County Treasurer Terri Ross distributed copies of a Sales Tax Report reflecting receipts through October 7, 2008, totaling \$13,850,842.36 and interest totaling \$13,370.74 which is up about 10.617 percent (\$1,329,390.16) over last year's figures.

Future Meetings

The next meeting will be November 19, and the five largest departments will be requested to attend and present their quarterly reports.

Adjournment

There being no further business to come before the committee, the meeting was adjourned on a motion by Legislator Fanton, seconded by Legislator Dibble and carried.

Respectfully submitted,
Brenda Rigby Riehle, Clerk of the Board
Allegany County Board of Legislators

BUDGET COMMITTEE
November 19, 2008

**** NOT APPROVED ****

Committee Members Present

T. Hopkins, D. Fanton, W. Dibble, T. O'Grady, C. Crandall
(Absent: W. Hall)

Others Present

L. Ballengee, M. Gasdik, R. Hartwick, D. Horan, J. Margeson, B. Reynolds, B. Riehle, D. Roeske, T. Ross, W. Tompkins

Approval of Minutes

The October 15, 2008 Budget Committee minutes were approved on a motion by Legislator Fanton, seconded by Legislator Dibble and carried.

DEPARTMENTAL BUDGET REVIEWS:

Social Services – Third Quarter Budget Review

Social Services Accountant Don Horan distributed copies of his financial report ending September 30, 2008. Mr. Horan stated that the Social Services' accounts are accurate and very close to projections. The revenues are slightly higher than expected for this time of year as a few payments were received that historically are not received until the last quarter of the year. Mr. Horan also mentioned that account A6129 should run about \$112,595 for the year; however, expenses can be submitted retroactively up to five years, and there is a possibility of receiving a bill for approximately \$320,000. Mr. Horan indicated that they are starting to see some of the state cuts in the smaller programs, but it has not amounted to much at this point. We should end up right where we budgeted. We are not going to spend as much, but we will also be receiving less revenue so the projected local share should be right on target. Anticipated loss of some state aid was calculated in the 2009 budget.

Health Department – Third Quarter Budget Review

Public Health Director Lori Ballengee distributed copies of her third quarter financial report, noting that the appropriations and revenues will both be below the budgeted amount due to the sale of the Home Care Agency. The local share required to run the Health Department will be much lower than originally projected, and Mrs. Ballengee complimented her staff on doing a great job and keeping costs down.

Sheriff's Office – Third Quarter Budget Review

Sheriff William Tompkins and Accountant Randy Hartwick distributed copies of the Sheriff's Office financial reports for both the second and third quarters of 2008. Sheriff Tompkins called committee members' attention to the improved financial projections between the second and third quarter reports. The projected revenues increased by more than \$28,000 between the second and third quarter, and projected expenses decreased by more than \$30,375 for that same time period. The Sheriff indicated that part of the improvement can be attributed to hiring more part-time employees.

Overtime reports through payroll 23 ending November 7, 2008, were distributed. Sheriff Tompkins explained the different overtime categories and how overtime is tracked. The Sheriff indicated that they do not always have enough part-time employees to cover everything a part-time employee can contractually cover; however, a new Corrections Officer test was recently given, and they hope to add more part-time employees in the near future. Approximately 42,821 overtime hours have been worked at an estimated cost of \$1,075,430 so far this year.

An inmate housing summary spreadsheet was also distributed. Through October, the County has collected \$1,840,820 from housing federal inmates and an additional \$38,335 from housing inmates from other counties. The Sheriff's Office projects that the County will collect approximately \$2,063,218 from housing inmates by year end. Legislator David Pullen asked if there is potential for increasing the number of inmates we house. Sheriff Tompkins indicated that because inmates have to be classified and housed following certain criteria, we are near our capacity limit the majority of the time.

Office for the Aging – Third Quarter Budget Review

Office for the Aging Director Kimberley Toot distributed copies of her third quarter financial report, noting that the finances look as expected. The Office for the Aging has received 63 percent of their budgeted revenue and expended about 70 percent of their budgeted appropriations. Ms. Toot does not anticipate going over budget, but it will be close. The Meals on Wheels Program causes the biggest concern as far as going over. They will not reach their budgeted revenue amount due to cuts in state aid. Ms. Toot indicated that they have waiting lists for in-home services. They are able to keep the cost of providing services flat by creating waiting lists; however this doesn't help anyone at home – it only balances the budget. Ms. Toot indicated that they contact individuals on a waiting list to find out if they have other support systems, or if they might fit into other programs, etc. The waiting list is not on a first-come, first-serve basis – it's prioritized based on need. Legislator David Pullen commented that the Senior Foundation was set up to help supplement services, and other community organizations such as Lions' Clubs and United Way are helping out with things like lifeline. The waiting lists would be much longer if these other groups were not assisting

Ms. Toot commented that she is not confident in the figures used for her 2009 budget. They were based on figures originally presented by the state. The Governor has proposed additional cuts that will hit lifeline, homecare and meals, and this is not where they should be looking if they want to take money from the Office for the Aging. Ms. Toot stated that they are strongly advocating that the state look elsewhere, and they are also making suggestions.

Public Works – Third Quarter Budget Review

Public Works Superintendent David Roeske distributed copies of financial reports as of November 17, 2008. Mr. Roeske indicated that the Solid Waste revenue will probably be approximately \$30,000 less than budgeted because we have taken in less garbage so we are receiving less in tipping fees, and many residents are buying dump permits later in the year to take advantage of the pro-rated discount. Public Works anticipates receiving approximately \$275,000 more in County Road revenue and \$75,000 more in Road Machinery revenue than budgeted based on some bridge work we did and paid for this year.

Mr. Roeske indicated that the expense accounts are accurate and very close to projections; however, he is a little concerned that they could run short in the Snow Removal account. Salt costs about \$7/ton now. County Administrator/Budget Officer John Margeson asked Mr. Roeske if he worries about not being able to get salt and sand. Mr. Roeske indicated that they did not get caught in the shortage last year, and he tries to keep some in reserve. So far we have been able to keep up with the demand; however, some towns hit you at the last minute which doesn't work well if several towns do that. Legislator Karl Kruger commented that storage capacity is an issue for some towns.

Sales Tax Report

County Treasurer Terri Ross distributed copies of a Sales Tax Report reflecting receipts through November 13, 2008, totaling \$15,803,201.741 and interest totaling \$16,097.92 which is up about 7.76 percent (\$1,138,569.41) over last year's figures.

Mandated and Non-Mandated County Programs

Ms. Ross distributed spreadsheets listing all County cost centers in the budget and showing whether the program is mandated or non-mandated and how the program is funded.

Adjournment

There being no further business to come before the committee, the meeting was adjourned on a motion by Legislator Fanton, seconded by Legislator Dibble and carried.

Respectfully submitted,
Brenda Rigby Riehle, Clerk of the Board
Allegany County Board of Legislators

BUDGET COMMITTEE
December 17, 2008

**** NOT APPROVED ****

Committee Members Present

T. Hopkins, D. Fanton, W. Dibble, W. Hall, T. O'Grady, C. Crandall

Others Present

J. Margeson, B. Reynolds, B. Riehle, T. Ross

Approval of Minutes

The November 19, 2008 Budget Committee minutes were approved on a motion by Legislator Hall, seconded by Legislator O'Grady and carried.

Public Safety and Training Facility Debt Reserve Fund

On June 14, 2004, the Board of Legislators adopted Resolution No. 118-04 establishing the Public Safety and Training Facility Debt Reserve Fund. Committee members discussed the best way to fund the account. Budget Committee Chairman Theodore Hopkins suggested that if revenue from housing inmates is received in excess of the \$1.6 million bond payment, we may want to leave a percentage of the costs associated with operating the jail in the General Fund and place the remainder of the revenue in the Reserve Fund. Legislator Timothy O'Grady stated that the revenue received from housing prisoners should be used to support the building and jail operations with any extra going to reserve for the debt. Mr. O'Grady indicated that he would not like to see excess revenue just falling to General Fund to support other programs. Legislator Dwight Fanton suggested that all revenue received from housing inmates above the \$1.6 million needed for the bond payment should be placed into the Reserve Fund for a rainy day, and the additional costs associated with housing out-of-county inmates should be absorbed in the budget. Legislator William Hall questioned who currently controls how that revenue money is spent. County Administrator/Budget Officer John Margeson indicated that the revenue is booked in the General Fund. Although there is not a dedicated stream that goes to offset expenses in the Sheriff's Office or Jail, there are operational expenses associated with running the building and any overages will have to be absorbed by the General Fund. Legislator Hall expressed concern about fiscal responsibility, noting that people generally tend to be more conservative when money is tight and more extravagant when they believe there is money available to pay for extras. Mr. Margeson estimates that the County will receive approximately \$2.1 million in revenue from housing inmates this year. The debt payment of \$1.6 million will be paid, and the remaining \$500,000 has not been dedicated to pay anything specific. Right now any excess would fall to fund balance and offset any accounts that are short.

County Treasurer Terri Ross stated that the committee needs to decide what standard they want to set – at what level do they want to fund the Reserve. Legislator Hopkins suggested putting any revenue received over the budgeted amount into the Reserve Fund. We collected \$513,000 for housing inmates in 2007, and that was not budgeted and fell to fund balance at year end. We ended 2007 with an unappropriated, unreserved Fund Balance of \$2.9 million. Committee members discussed putting \$500,000 into the Reserve.

Legislator William Dibble distributed copies of a draft resolution stating that all revenue received from housing non-Allegany County inmates at the Allegany County Jail, after deducting the yearly cost of principal and interest paid on the bonds issued to cover the cost

of construction of the facility should be paid into the Public Safety and Training Facility Debt Reserve Funds as created by Resolution No. 118-04.

Once money is placed in the Reserve Fund, it can only be used for debt service, not operating expenses. Budget Committee Chairman Theodore Hopkins asked County Treasurer Ross and County Administrator Margeson to come to the next meeting with a recommendation as to the amount they believe should be placed in the Reserve Fund. They will also plan to discuss adoption of a resolution regarding the designation of a specified amount into the Reserve Fund at the next meeting.

Section IV Salaries

Legislator Timothy O'Grady mentioned an article that appeared in the *Democrat and Chronicle* recently that talked about the City of Rochester handing out bonuses to department heads that did an exemplary job. Several people commented that they did not believe that you can use public funds for bonuses.

Committee members briefly discussed the process used to evaluate and grant raises to department heads on an annual basis. Committee members would like to send a referral to the Personnel Committee to develop a defined system for evaluating department heads and granting annual salary increases. **REFER TO PERSONNEL COMMITTEE**

Sales Tax Report

County Treasurer Terri Ross distributed copies of a Sales Tax Report reflecting receipts through December 13, 2008, totaling \$16,940,491.81 and interest totaling \$17,381.17 which is up about 6.729 percent (\$1,068,058.76) over last year's figures. Ms. Ross stated that we will receive two more sales tax payments before the end of the year, and we need to collect \$400,000 to hit this year's budget figure. Ms. Ross noted that we will be slightly short on sales tax interest this year.

Adjournment

There being no further business to come before the committee, the meeting was adjourned on a motion by Legislator Fanton, seconded by Legislator Hall and carried.

Respectfully submitted,
Brenda Rigby Riehle, Clerk of the Board
Allegany County Board of Legislators