

BUDGET COMMITTEE
January 21, 2009

**** 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

Approval of Minutes

The December 17, 2008 Budget Committee minutes were approved on a motion by Legislator O'Grady, seconded by Legislator Fanton and carried.

Sales Tax Report

County Treasurer Terri Ross distributed copies of a Sales Tax Report. Sales tax receipts for 2008 totaled \$18,240,274.57 with interest of \$17,983.34 for a grand total of \$18,258,257.91. In January 2008 we collected \$1,197,992.34 which included a \$500,000 adjustment. We have never really received a good explanation as to why we received this adjustment or what it was for. In January 2009 our sales tax receipts were \$551,900.12 which is down about 53.93 percent from last year. If you factor out the \$500,000 adjustment, we are down by approximately 15 percent from last year; however, it is too early to make any predictions yet. Ms. Ross explained how the sales tax calendar works, noting that our March payment will begin reflecting 2009 sales.

Soil and Water Genesee River Project

Allegany County spent \$2,399,421.05 on the Genesee River Project in 2008, and we have been reimbursed \$1,799,565.79 which is 75 percent of the project costs. The process with the NYS Dormitory Authority is slow for the 25 percent balance. Ms. Ross stated that she received correspondence from Gretchen Gary, Executive Director at Soil and Water, and Ms. Gary indicated that the Senate has given approval, and once the Division of Budget receives confirmation that the request is processed, the Grant Disbursement Agreement will be forwarded to Soil and Water. As of January 14, 2009, the certification is waiting unit head sign off. Ms. Ross noted that there will be additional costs in 2009 to finish the project but nothing has been presented for payment in 2009. Soil and Water paid Allegany County \$20,060.18 for interest and consultation fees for 2008-2009, and that was applied to miscellaneous revenue for 2008.

Legislator Timothy O'Grady commented that he did not believe Allegany County could upfront any additional funds without another resolution as the agreement we had with Soil and Water (approved by Resolution No. 133-08) terminated on December 31, 2008. Legislator O'Grady also expressed concern and questioned the possibility of not receiving the \$599,855.26 balance owed to us from the river mitigation.

Jail Housing/Debt Reserve

County Treasurer Terri Ross distributed copies of the following regarding the revenue received from housing inmates and paying the bond payment on the new facility:

Revenue received for housing prisoners beginning August 2007

\$2,743,085

2007 Out of County	\$ 5,270	
2007 Federal	\$ 508,135	2007 Total: \$ 513,405
2008 Out of County	\$ 39,865	
2008 Federal	\$2,189,815	2008 Total: \$2,229,680

Bond payments – Principal and interest beginning September 2007

\$3,216,276

2007 Principal	\$ 625,000	
2007 Interest	\$ 985,638	2007 Total: \$1,610,638
2008 Principal	\$ 645,000	
2008 Interest	\$ 960,638	2008 Total: \$1,605,638

Ms. Ross explained that because we did not start housing inmates until August of 2007, we did not receive enough revenue from housing inmates in 2007 to cover the entire \$1.6 million bond payment – we were short about \$1.1 million. In 2008 we collected more than \$2.2 million in revenue from housing inmates which covered the 2008 bond payment and lowered the overall shortfall needed to cover our 2007 bond payment from \$1.1 million to \$473,191. Ms. Ross noted that at this point there are not any excess funds available from housing revenue to deposit into a debt service reserve for the bond. Chairman Curtis Crandall commented that we haven't caught up yet, but we should in 2009, and by 2010 hopefully our housing revenue will exceed the bond payment amount.

Committee members discussed how expenses could be tracked in the jail. Legislator William Dibble indicated that he would like to know how much it costs to house inmates per day. Legislator O'Grady talked about looking at all expenses associated with housing inmates as well as overall costs of operation. Legislator Fanton commented that many of our costs are fixed, and we will have to pay them regardless of whether we house inmates or not. Committee members briefly discussed the possibility of separating costs out and determining the actual bottom line of what housing prisoners costs us.

Committee members discussed Resolution No. 118-04 which established the Public Safety and Training Facility Debt Reserve Fund. County Administrator John Margeson stated that the resolution, as written, allows the Board flexibility. If you want to take excess or surplus monies and put them into the reserve, you can do that, but it would need to be done by resolution. The other option would be to adopt a resolution directing that every dollar of housing revenue surplus we received above the bond payment would go directly into the reserve; however, this would remove any flexibility that the Board would have to use any excess funds toward operating expenses. County Treasurer Ross suggested waiting until there is actually an excess before making the decision. Committee members briefly discussed the pros and cons of passing a resolution regarding the Debt Reserve Fund; however, no official action was taken.

Legislator O'Grady mentioned that there could be some changes in immigration laws which might result in a decrease in ICE prisoners.

Overtime

Budget Committee Chairman Theodore Hopkins stated that we need to develop a better way to analyze overtime. How is overtime being created? There are some real questions in areas that appear to be excessive, and we should be able to eliminate some overtime. Legislator Hopkins suggested sending Department Heads a memo from the Budget Committee requesting that they submit the timesheets for all employees to the County Treasurer for the next few payrolls. Legislator Hopkins also suggested having the Sheriff come to the next meeting to discuss expenses in his department. **Referred to the County Administrator**

Future Meetings

The next meeting will be at 9 a.m. on February 18. Beginning with the March 18 meeting, the committee will switch back to meeting in the afternoon at 1 p.m.

Temporary Federal Medical Assistance Percentage (FMAP) Increase

Mr. Margeson briefly explained how the Federal Medical Assistance Percentage works and indicated that Senator Schumer has been working hard to ensure that funds are set aside in the

economic stimulus plan to increase the FMAP and provide some relief. NYSAC's Executive Director Steve Acquario just notified Mr. Margeson that they believe it will be part of the stimulus package. Mr. Margeson reported that beginning

October 1, 2008 and continuing for nine quarters through December 2010, each state will receive a basic FMAP increase of 4.9 percent. New York's 50 percent FMAP would increase to 54.9 percent. In addition to the 4.9 percent, New York would qualify for additional FMAP increases based on its high unemployment rates which would increase the FMAP to 57.9 percent and possibly 60.9 percent at some point in 2009. The current proposal would require New York State to share the proportionate benefit with counties as a condition of their eligibility to receive the funds. Mr. Margeson indicated that this was very good news and could result in an extra \$3-\$4 million for Allegany County.

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
February 18, 2009

**** 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, W. Tompkins

Media Present

B. Quinn – Wellsville Daily Reporter

Approval of Minutes

The January 21, 2009 Budget Committee minutes were approved on a motion by Legislator Fanton, seconded by Legislator Hall and carried.

NYSAC Conference

Budget Committee Chairman Theodore Hopkins briefly updated committee members on some of the things discussed at the New York State Association of Counties Conference last week. The state can't take our FMAP (Federal Medical Assistance Percentage) increases so they are looking at other things. There is a strong possibility that the tax exemption on clothing may be eliminated. Legislator Dwight Fanton mentioned that they did bump the CHIPS funding back up to last year's levels. Allegany County's sales tax revenue may be down because people will be spending less and gas prices are also down from what they were. There was also talk about taxing health providers.

Sales Tax Report

County Treasurer Terri Ross distributed copies of a Sales Tax Report reflecting receipts through February 13, 2009, totaling \$1,817,428.84 and interest totaling \$419.53. Overall sales tax revenues are down slightly when compared with last year at this time; however, we did receive slightly more (about \$23,000) in February 2009 than we did in February 2008.

Community College Report

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. The reports (*attached to original minutes*) show different breakdowns by town, college, and student. Since 2003, Allegany County has paid \$4,050,277.56 to Community Colleges. In 2008 we paid \$805,382.77, up from \$762,988.76 in 2007. Our 2009 Community College account A2495 has been budgeted at \$840,000. Committee members expressed concern regarding increased costs and believe that costs may increase even more as aid is cut to state schools and we fall deeper into a recession.

Legislator William Dibble indicated that he would like to see the number of students by town that attend Alfred State College. Ms. Ross indicated that she will check on this information and report back.

Executive Session

A motion was made by Legislator Fanton, seconded by Legislator Hall and carried to enter into executive session to discuss the employment history of a particular employee as well as collective negotiations. Immediately following discussion, a motion was made by Legislator Fanton, seconded by Legislator Hall and carried to end the executive session and return to the regular meeting.

Sheriff's Office – Financial Reports

Sheriff William Tompkins distributed copies of various financial reports. The various .103 premium pay accounts under the Sheriff's Office ended 2008 at \$5,123,499 which was \$192,860 over

budget and 8.84 percent higher than last year. The .103 accounts represent a portion of overtime costs, but they do not include .104 accounts (Compensation Time). Public Works' employees assigned to the Allegany County Jail and Public Safety Facility are also paid out of a separate account (A3152). The Sheriff's Administrative Staff worked approximately 2,950 overtime hours in 2008, and so far in 2009 the Administrative Staff has worked 486 overtime hours. Sheriff Tompkins indicated that entering information for the new Telestaff Program database is labor intensive which has increased overtime hours. In addition, two or three employees will be going to California for additional training and education for the Telestaff Program. The Sheriff believes that the Telestaff Program will be very beneficial and should help control overtime costs once it is up and running. The Sheriff estimates that they should be able to save approximately \$26,000 in 2009 by increasing the use of inmates in the kitchen.

In 2008 approximately 48,317 overtime hours were worked in the Sheriff's Office at a cost of \$1.22 million. So far in 2009, approximately 7,363 overtime hours have been worked in the Sheriff's Office at an estimated cost of \$166,877. The Sheriff reported that this is a savings of 841.5 hours over 2008 full-time overtime hours. Sheriff Tompkins indicated that they have been able to cover more shifts with part-time Correction Officers than last year. The Sheriff also indicated that they have been able to save a lot of money over the last few years because of the Pre-Trial Diversion Program.

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

March 18, 2009

**** 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, K. Toot

Approval of Minutes

The February 18, 2009 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 March 13, 2009, totaling \$2,818,545.32 and interest totaling \$577.77. Ms. Ross indicated that March receipts are down about 5 percent when compared with March 2008. Overall sales tax revenues are down approximately 19.4 percent, which includes the additional \$500,000 we received in January 2008.

In December 1986 our County sales tax rate increased from 3 percent to 4 percent, and in December 2004 our sales tax rate increased from 4 percent to 4.5 percent.

Budgetary Spreadsheets

Ms. Ross distributed copies of a spreadsheet listing the tax levy, tax rate, County taxable assessed value, and total County budget over the last ten years including a summary of changes from the previous year and five and ten year averages in dollars and percentages. The tax levy has gone from \$21.7 million in 2006 to almost \$25.4 million in 2009. The average County tax rate per thousand has gone from \$15.39 in 2006 to \$16.62 in 2009. The County taxable assessed value has gone from over \$1.4 billion in 2006 to over \$1.5 billion in 2009. The total County budget has gone from \$92.6 million in 2006 to almost \$105.4 million in 2009, an increase of \$12,765,110.

Ms. Ross also distributed copies of a spreadsheet summarizing the 2007, 2008 and 2009 adopted budgets for all funds and one for just the General Fund. The County's taxable assessed value has increased over \$96 million in three years. The balance to be raised by real property taxes has increased \$2,643,184, and the average County tax rate has increased \$.73.

Tourism Funding

Budget Committee Chairman Theodore Hopkins reported that according to New York State, Allegany County received approximately \$3.2 million from tourism tax revenue (bed tax and sales tax) this past year. Allegany County only receives about 10 percent of the tax revenue generated in the Chautauqua-Allegheny Region, and that Region only receives about 1 percent of the total tax dollars generated in New York State.

Committee members discussed the Tourism budget and our agreement with the Greater Allegany County Chamber to provide tourism services. County Administrator John Margeson indicated that our agreement with the Chamber calls for Allegany County to pay the Chamber \$25,000 when the contract is issued, and an additional \$25,000 after six months. The agreement is for one year and expires in March 2010. Tourism Specialist Craig Braack will no longer be receiving a \$10,000 stipend now that our agreement with the Chamber is in place. The Development Office will still supply some administrative support to the Chamber for tourism. Committee members agreed to discuss the tourism budget and I LOVE NY Grant funding more at the next meeting.

FMAP Relief

Mr. Margeson distributed information regarding the expected fiscal impact of the Federal Medical Assistance Percentage (FMAP) relief based on information received from the New York State Association of Counties (NYSAC). Mr. Margeson reported that we should receive a lump sum payment of \$675,100 for FMAP relief by the end of March. Effective April 1, the County's weekly share payment for Medicaid will go from \$178,639 down to \$144,847 and remain at \$144,847 through March 31, 2010. Effective April 1, 2010, the County's weekly share would normally be \$183,998; however, due to the FMAP relief, the actual weekly share payment from April 1, 2010 through March 31, 2011 will be \$164,385. Based on the 2009 County Medicaid budget, the Medicaid line item should show a surplus of approximately \$1.3 million at year end.

Mr. Margeson stated that if in the 2010 County Budget, we appropriate for Medicaid costs as if there were no FMAP relief, we would budget \$9,498,229. If this occurs, our 2010 Medicaid surplus will be \$1,204,203. If we do the same for the 2011 County Budget, we would appropriate \$9,783,175, and our surplus will be \$254,969.

Mr. Margeson and Ms. Ross recommended budgeting as we normally would especially considering that this increase in FMAP is only temporary and committee members agreed. Ms. Ross also explained that the initial lump sum payment we receive this month will be the only time we actually receive cash; the remainder will be received as a reduction in our weekly payment.

Committee members briefly discussed how the increased FMAP funds should be used. Chairman Curtis Crandall indicated that he would like to see the money from the FMAP increase put into some type of account that would be flexible, but not just floating around. Chairman Crandall suggested having certain criteria attached to the appropriation of the money and referred to the Tax Stabilization Fund created and used briefly when we received the tobacco money. Legislator William Hall commented that he likes the idea of having the money placed in a special account, noting that it makes him uncomfortable that we are depending on the tobacco money to help balance our budget every year. County Treasurer Ross suggested that the money could be used to fund the capital accounts, and committee members requested Ms. Ross to bring information regarding those accounts to the next meeting. Ms. Ross indicated that she will also have the final 2008 reports next month.

Legislator William Dibble indicated that we need to look at the stimulus money to see what we can bring back to the County. Budget Committee Chairman Theodore Hopkins stated that Allegany County is at a disadvantage without a Planner. It was noted that some counties are hiring lobbyists in hopes of securing additional stimulus dollars. Legislator William Hall remarked that he believes that rural counties will have a difficult time getting access to stimulus dollars. Committee members discussed creating an ad hoc committee to deal with stimulus funding issues.

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

April 15, 2009

**** NOT APPROVED ****

Committee Members Present

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

Others Present

J. Margeson, B. Riehle

Media Present

B. Quinn – Wellsville Daily Reporter

Approval of Minutes

The March 18, 2009 Budget Committee minutes were approved on a motion by Legislator Fanton, seconded by Legislator Dibble and carried.

Sales Tax Report

County Administrator John Margeson reported that we received approximately \$1.9 million in sales tax revenue this month which is about \$52,000 more than we received in March of last year. Mr. Margeson indicated that he recently received a report from NYSAC comparing 2008 sales tax figures with 2009 figures for all counties across the state. While many counties are showing large reductions, Allegany County and a few others are showing increases in sales tax revenue. Mr. Margeson indicated that he will plan to bring additional information to the next meeting.

Tourism Budget

Mr. Margeson distributed a memo listing the line item balances totaling \$20,835 in the Tourism Budget as follows:

A6989.101	Personnel	\$7,992	A6989.401	Postage	\$6,433
A6989.402	Mileage	\$1,910	A6989.407	Office Supplies	\$ 500
A6989.409	Fees	\$4,000			

Mr. Margeson indicated that there should be no reason to expend money out of these accounts between now and the end of the year. Our contract with the Greater Allegany County Chamber for tourism services called for us to pay them \$25,000 when the contract was initiated and another \$25,000 after six months. It was noted that the initial payment of \$25,000 was paid from Mr. Margeson's fees account, and it should be reimbursed. A motion was made by Legislator Fanton, seconded by Legislator Dibble and carried to transfer \$50,000 from A1990.4 (Contingency) to A1011.409 (County Administrator – Fees) to finance the cost of the agreement with the Greater Allegany County Chamber for tourism services. **Refer to Ways & Means**

Tax Stabilization Reserve Fund

Mr. Margeson distributed a copy of Resolution No. 159-2000 – Establishment of Contingency and Tax Stabilization Reserve Fund – along with backup information that explains what the fund is about, what it is intended to do, and how it can be used. Committee members discussed how to use the funds from the temporary FMAP increase.

Legislator Timothy O'Grady noted that some of the town highway superintendents would like to see a capital fund established that could be used for bridge replacements. They would like the County to establish and finance a fund that could only be used for replacing bridges to make sure the money is available when needed. Legislator William Dibble remarked that we have over 300 bridges, we are only replacing four a year, and we should probably be doing more just to keep up with them.

Budget Committee Chairman Theodore Hopkins commented that the formula could be changed so that we can do more.

Chairman Curtis Crandall referred back to the Resolution No. 159-2000 stating that it was done so that the tobacco money would be used in the best way. We do not want to tie our hands so tight that we do not have options; however, we do not want to squander it without any direction. It would be nice to look at other options. Legislator Dwight Fanton suggested funding some capital accounts. Chairman Crandall also talked about using the money to raise the tax base to get more out of the money over the long haul – like sewer and water projects – funds for infrastructure. Legislator Dibble suggested the funds could be used as a match on certain funding.

Committee members briefly discussed some funding hits we will take in other accounts. The New York Statement Retirement bill will take a huge hit next year and could be 18 percent of our total payroll. Legislator Dwight Fanton remarked that until they develop a Tier 5 there isn't much we can do about it.

Next Meeting

The next Budget Committee meeting is tentatively scheduled for 1 p.m. on Wednesday, May 20. County Treasurer Terri Ross will have year-end figures for 2008. Legislator Hopkins requested Mr. Margeson to invite the five biggest departments to the next meeting to provide first quarter financial reports, and to have the little departments submit reports to be reviewed. Legislator Hopkins suggested the reports should include how any state cuts may impact their budgets.

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
May 20, 2009

**** NOT APPROVED ****

Committee Members Present

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

Others Present

A. Alsworth, L. Ballengee, P. Cockle, D. Horan, J. Margeson, D. Roeske, T. Ross, P. Schmelzer, R. Starks, W. Tompkins, W. Goetschius

Approval of Minutes

The April 15, 2009 Budget Committee minutes were approved on a motion by Legislator O'Grady, seconded by Legislator Dibble and carried.

FIRST QUARTER DEPARTMENTAL FINANCIAL REPORTS:

Social Services Department

Social Services Commissioner Patricia Schmelzer distributed copies of their first quarter financial report ending March 31, 2009 to committee members. Ms. Schmelzer stated the FMAP (Federal Medical Assistance Percentage) share of reimbursement of Medicaid is estimated. Two payments from New York State Medicaid Program for October – December 2008 of \$318,937, and January 9 – March 9, 2009 of \$252,818 were received. These are projected at 80% of payment; the State will reconcile the difference on the Counties actual costs by September. Our weekly share is as follows:

April through March 2008 - \$168,727

April through March 2009 - \$173,436

April through March 2010 - \$155,233*

*There is no 3% increase for 2010, it would have been \$178,144

Ms. Schmelzer discussed the lack of a 3% increase for next year with the committee. There was discussion on how this issue will be addressed.

Ms. Schmelzer stated the LAF (Local Administration Fund) moved to Flexible Fund for Family Services. The state has removed their share of costs which is projected at a loss of approximately \$382,913. The County Child Welfare threshold has increased. The Administration cost is estimated from \$436,358 to possibly \$1,491,665. This amount is the threshold the County has to meet in costs before the State will reimburse the County. The actual amount has not been released yet. The actual cost report has to be submitted to the State before any revenue will be reimbursed. Over all appropriations and revenues are accurate and very close to projections.

Sheriff/Jail

Due to a misunderstanding, the Sheriff Department did not submit a report at this time. They were instructed to submit their report at the next scheduled meeting.

Health Department

Health Department Director Lori Ballengee distributed copies of their first quarter financial report as of April 30, 2009 to committee members. Ms. Ballengee stated due to delays in transition/closure of the nursing programs, the Long Term Care and Public Health Nursing are over budget. They were only budgeted for three months with no personal services budgeted. Accountant Pamela Cockle stated the State Aid Claim will be completed by the end of the month. As they have not yet exhausted their base grant of \$550,000, the claim will cover all expenses, after revenue offset, under General Public Health. Optional programs will be covered at 36% except the nursing programs. The first quarter State Aid claim for Family Planning is not reflected in the revenue figures as it is not

yet complete. The claim will be submitted by the end of the week. The Medical Examiners revenue will meet budgeted projections. The only expense reimbursable is the Medical Examiner (Monroe County) for autopsy services per contract. Overall revenue accounts and appropriations are very close to projections.

Public Works

Department of Public Works Superintendent David Roeske distributed copies of their first quarter financial report through May 11, 2009 to committee members. Mr. Roeske stated the revenue accounts are close to projections except the recycling revenue which will fall short.

The appropriation accounts are close to projections except in the Jail Maintenance and Repairs Accounts which will fall short due to the unanticipated costs in Jail locks, and security camera system and fire alarm inspections. Mr. Roeske stated two department employees will be attending inspection classes to be qualified to inspect the systems which will cut the cost of contracting out these services once the training is completed.

Probation Department

Probation Department Director Robert Starks distributed copies of their first quarter financial report through March 31, 2009. Mr. Starks stated the revenue and appropriation accounts are accurate and very close to projections. The State aid claims are in the process of being filed through March 2009 for reimbursement.

Mr. Starks stated the Shared Services Grant employee has resigned and the position has not been filled at this time.

There was discussion on the drop of State Aid to the Probation Department.

Sales Tax Report

County Treasurer Terri Ross distributed copies of a Sales Tax Report reflecting receipts through May 13, 2009, totaling \$5,983,045.82 and interest totaling \$957.89. Overall sales tax revenues are down approximately 10.95% compared to last years figures, which is a difference of \$735,293.40.

1st Quarter Financial Report – 2009 County Budget

County Treasurer Terri Ross distributed a Budget Performance Report of the first quarter for the period ending May 18, 2009 for the General Fund of the 2009 Budget. As of May 18, 2009 we have expended \$38,541,194 or 37 percent of the budgeted amount. We have received total revenue of \$56,742,177 or 54 percent of projected revenue amount for the 2009 Budget.

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. There has been discussion on how future revenue received from housing non-local inmates will be administered to this fund. On May 11, 2009 Resolution Intro. No. 76-09 was presented to the Board of Legislators for their approval. This Resolution stated that effective immediately, all past and future revenue received from housing non-local inmates shall be paid into the Public Safety and Training Facility Debt Reserve Fund as created by Resolution Number 118-04. This resolution was tabled and referred to the Budget Committee to redefine the administration of these funds. Committee Chairman Hopkins stated the Resolution requires amending because you can not appropriate funds in a reserve account to be used for operating expenses. This fund can only be used for debt service. This issue will be discussed further at the next scheduled meeting.

2010 Budget Process

County Administrator John Margeson stated he and the Deputy Budget Officer will meet with Department Heads shortly to begin the 2010 budget process. Mr. Margeson will give the committee the 2010 Budget process schedule at their next meeting.

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,

Alice Alsworth, Confidential Secretary
County Administrator's Office

BUDGET COMMITTEE
June 17, 2009

**** NOT APPROVED ****

Committee Members Present

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

Others Present

L. Ballengee, R. Hartwick, J. Margeson, T. Parker, B. Riehle, T. Ross, W. Tompkins

Approval of Minutes

The May 20, 2009 Budget Committee minutes were approved on a motion by Legislator Hall, seconded by Legislator Dibble and carried.

Sales Tax Report

County Treasurer Terri Ross distributed copies of a Sales Tax Report reflecting receipts through June 8, 2009, totaling \$6,950,720.86 and interest totaling \$1,161.44 which is down about 10.7 percent (\$835,967) over last year's figures. Chairman Crandall remarked that if you factor out the additional \$500,000 we received in January 2008, we would only be about \$335,967 behind last year. The Treasurer's report indicated that if the current trend of sales tax revenue continues, the projected sales tax revenue collections for 2009 could be about \$2.2 million under budget at the end of the year.

FIRST QUARTER DEPARTMENTAL FINANCIAL REPORTS:

Sheriff/Jail

Sheriff William Tompkins distributed copies of his first quarter financial report to committee members. Sheriff Tompkins indicated that they are projecting that the revenues will be over budget by about \$186,000, and appropriations are projected to be under budget by approximately \$78,000.

Account A3150.4 covers the cost of prescriptions for inmates and is projected to be over budget because several inmates have significant medical issues, and we are spending more than anticipated on medicines every month. Sheriff's Office Accountant Randy Hartwick stated that we spend \$20,000 to \$25,000 per month on prescriptions for inmates. Sheriff Tompkins indicated that there may be opportunities in the future to join a program where prescriptions are purchased in bulk and the savings are passed on to the participants. Sheriff Tompkins noted that one attempted suicide in the jail ended up costing the County approximately \$75,000. On a positive note, even with the extra costs, overall the Sheriff's budget is still expected to come in under budget. Repairing inmate clothing that has been damaged has saved quite a bit.

The Sheriff reported on the inmate population, noting that we have a high County population right now which is averaging about 65 inmates per month. Sheriff Tompkins stated that we could possibly get a variance for double bunking. District Attorney Terrence Parker addressed the increase in County inmate population. Attorney Parker stated that the economy is part of it, and the drug problem is back with a vengeance. The funding for the Drug Task Force was cut, and they are getting rid of the Rockefeller Law which will put more people in county jails instead of state prisons. Sheriff Tompkins stated that the rise in the drug problem also tends to increase the County's medical expenses for inmates especially if withdrawal symptoms need to be treated.

Proposed Timetable for 2010 Budget

County Administrator/Budget Officer John Margeson distributed copies of a proposed procedures and timetable outline for the 2010 budget. Mr. Margeson stated that he met with Department Heads earlier this month, and they need to complete and turn in their 2010 budget requests by July 3. The Budget Committee will plan to review the budget requests from July 20 through August 28. Meetings were scheduled on August 5 from 9 to 11 a.m. and on August 19 from 9 to 11:45 a.m.

Departmental Financial Reports

Committee members would like to review the six-month financial reports from the smaller departments and requested Brenda Rigby Riehle to notify the departments.

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 15, 2009

**** NOT APPROVED ****

Committee Members Present

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

Others Present

J. Margeson, M. McCormick, B. Riehle, T. Ross

Approval of Minutes

The June 17, 2009 Budget Committee minutes were approved on a motion by Legislator Fanton, seconded by Legislator Dibble and carried.

Sales Tax Report

County Treasurer Terri Ross distributed copies of a Sales Tax Report reflecting receipts through July 1, 2009, totaling \$8,247,899.48 and interest totaling \$1,322.81 which is down about 10.32 percent (\$949,143.91) over last year's figures. If the current trend continues, the County Treasurer projects that we could be approximately \$2 million short in sales tax revenue collections this year.

Ms. Ross briefly reported on how the County's money is invested.

Departmental Six-Month Financial Reports

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

Aging, Office for the
Central Service Telephone
Clerk of the Board, Legislative Board
County Attorney
County Clerk
Development, Planning & Tourism
District Attorney
Employment & Training
Fire Service
Historian
Human Resources
Information Technology
Probation Department
Public Defender
Risk Retention Fund
STOP DWI
Veterans
Weights & Measures
Workers' Compensation
Youth Bureau

Ms. Ross remarked that some of the second quarter claims have not been received yet which makes the revenues look like they are coming up short when they really are not. Committee members briefly discussed the Tourism Budget. It was noted that the I Love NY Matching Funds Program did not grant program funds as originally anticipated, and our revenues will fall short by approximately \$50,993. We will not spend those funds on the appropriation side, and with the Chamber taking over much of the Tourism Program we should have approximately \$65,000 remaining in the Tourism appropriation accounts at year end.

A few departmental reports are missing, and they will be submitted for review next month.

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
Special Budget Review
August 5, 2009

**** NOT APPROVED ****

Committee Members Present

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

Others Present

D. Baker, C. Braack, D. Burdick, D. Button, R. Christman, J. Foels, P. Gallmann, G. Gary, S. Grugel, L. Haggstrom, B. Kelley, J. Margeson, T. Parker, B. Riehle, T. Ross, D. Russo, S. Spillane, R. Starks, J. Tucker

Clerk of the Board – 2010 Budget Review

Clerk of the Board Brenda Rigby Riehle presented budget requests for the following cost centers: Legislative Board (A1010), Clerk of the Board (A1040), Central Service – Copying (A1670), Central Service – UPS (A1672), Central Service – Postage (A1673), Unallocated Insurance (A1910), Municipal Association Dues (A1920), and Risk Retention Fund (CS Fund). Mrs. Riehle noted that there were very few changes between what she requested, and what the Budget Officer recommended. The Budget Officer did recommend lowering the Legislative Conference Expense (A1010.405) by \$1,000. Most of the accounts showed a very minimal increase, and a few were even decreased. The most notable change was in the Unallocated Insurance account (A1910) where the annual request was reduced by \$25,000. Mrs. Riehle indicated that insurance costs have remained stable over the last few years, and the sale of the Home Health Care Agency in the Health Department resulted in further savings. A motion was made by Legislator Fanton, seconded by Legislator Hall and carried to accept the 2010 proposed budgets for the cost centers listed above as recommended by the Budget Officer.

District Attorney – 2010 Budget Review

District Attorney Terrence Parker presented budget requests for the District Attorney's Office (A1165) and for Grand Jury (A1190). Attorney Parker stated that his annual supply costs are up quite a bit. Attorney Parker noted that the only place that the Budget Officer's recommendation differed from his request was for the Special Prosecutor (A1165.433) which is always very difficult to estimate; however, that account will be over budget in 2009. Attorney Parker called committee members' attention to two new appropriation accounts – Child Advocacy Center (A1165.435) and V&T Diversion Program Fees (Unassigned). Mr. Parker indicated that the Child Advocacy Center is a joint venture with Cattaraugus County. There is a center in Olean, and they are actively looking to open a center in Allegany County. The V&T (Vehicle and Traffic) Diversion Program will be supported by fine money. Attorney Parker stated that the Grand Jury budget is the same as 2009. A motion was made by Legislator Hall, seconded by Legislator Fanton and carried to accept the District Attorney (A1165) and Grand Jury (A1190) 2010 proposed budgets as recommended by the Budget Officer.

County Attorney – 2010 Budget Review

Assistant County Attorney Leslie Haggstrom presented the 2010 budget requests for the County Attorney's Office (A1420) noting that all expenses are pretty straight forward. Mrs. Haggstrom noted that the County Administrator did adjust their budget so that one computer, rather than two, can be purchased next year. Mrs. Haggstrom stated that their budget is very modest, and they have enough revenues coming in to cover the cost of the office. A motion was made by Legislator Fanton, seconded by Legislator Hall and carried to accept the County Attorney's (A1420) proposed 2010 budget as recommended by the Budget Officer.

County Treasurer – 2010 Budget Review

County Treasurer Terri Ross presented 2010 budget requests for the following cost centers: Treasurer (A1325), Tax Sale and Redemption (A1362), Auditing (A1671), and Community College (A2495). Ms. Ross talked about her request for \$240,000 in account A1325.201 to upgrade the New World Financial System from the AS400 DOS-based system to a Windows version. The upgrade would include training, data conversion, roster for HR (new), interface for telestaff (new), and all current financials. The annual maintenance fee would be about \$30,000. Ms. Ross also noted that there is necessary hardware which appears in the IT budget, and that will be necessary regardless of whether or not an upgrade is done. Ms. Ross stated that the AS400 does need to be replaced, and she believes it would be more frugal to do everything at once. Budget Officer John Margeson cut Ms. Ross' request for account A1325.201 to \$120,000, but New World Systems has agreed to work with the County so that the cost of the new system could be paid over two years. Committee members discussed the possibility of moving forward with the new system this year (2009) and then paying the remainder with next year's (2010) budget money.

Ms. Ross indicated that her .4 accounts are up a little, but she was able to reduce her legal advertising account for the tax sale slightly. The accounting fees for A1671.429 are for the annual audit and actuary fees associated with the GASB45 requirements. Ms. Ross indicated that she did increase the Community College (A2495.421) account by \$35,000. Committee members briefly discussed the fact that we are seeing increases in the number of students attending community colleges because the costs for both the SUNY schools and other universities have gone up.

Committee members briefly discussed budgeting of retirement costs. Ms. Ross indicated that we saved about \$20,000 this year by paying our retirement bill in December. Retirement costs are predicted to be approximately 30 percent of payroll, and we are currently paying 8.5 percent of payroll.

A motion was made by Legislator Hall, seconded by Legislator Fanton and carried to accept the 2010 proposed budgets presented by the County Treasurer as recommended by the Budget Officer.

Veterans' Service Agency – 2010 Budget Review

Veterans' Service Agency Director Scott Spillane presented the 2010 budget requests for the Veterans' Service Agency (A6510), noting that his budget does not change much from one year to the next. Mr. Spillane indicated that he usually gets about \$5,000 in funding from the state every year, but he is hoping it might be slightly higher this year. Committee members discussed how the lease payments would work if the Veterans' Office moves to Crossroads, and Mr. Margeson indicated that he put the lease money in his budget for this first year. A motion was made by Legislator Fanton, seconded by Legislator Hall and carried to accept the Veterans' Service Agency (A6510) 2010 proposed budget as recommended by the Budget Officer.

Youth Bureau – 2010 Budget Review

County Administrator/Budget Officer John Margeson presented the 2010 budget requests for the Youth Bureau (A7310), noting that they are still a work in progress and currently reflect modest increases in the .4 line items. The salary for the Youth Bureau Director will have to be set after someone is hired. Mr. Margeson indicated that there has been a 20-percent reduction in money available from the state for youth programs. A motion was made by Legislator Hall, seconded by Legislator Fanton and carried to accept the Youth Bureau (A7310) 2010 proposed budget as recommended by the Budget Officer.

STOP DWI – 2010 Budget Review

Mr. Margeson also presented the 2010 budget requests for the STOP DWI Program (A3141), noting that no County money is used for the STOP DWI Program. The STOP DWI budget is funded entirely by the fines collected from driving under the influence and driving while intoxicated convictions. The fine money is reserved and then appropriated from the Reserve Fund. Fines are down, and we have been eating away at the reserve. Mr. Margeson will come back with

the reserve amounts at a later meeting. A salary for the new STOP DWI Program Coordinator will have to be set after someone is hired. No increases were requested in the individual line items. Mr. Margeson noted that the STOP DWI Program also makes a contribution to the Probation Department which is used to offset the cost of one clerical person. Legislator William Hall requested approval to abstain from voting on this budget due to his involvement with the Rural Justice Institute. A motion was made by Legislator Fanton, seconded by Chairman Crandall and carried authorizing Legislator Hall to abstain from voting. A motion was then made by Legislator Fanton, seconded by Chairman Crandall and carried to accept the STOP DWI Program (A3141) 2010 proposed budget as recommended by the Budget Officer (Abstaining: Hall).

Information Technology – 2010 Budget Review

IT Director Deborah Button presented 2010 budget requests for Information Technology (A1680) and Central Service Telephone (A1610). Ms. Button did comment that the Budget Officer made a few changes to her requests, and she can live with those changes. Ms. Button noted that she requested a large increase in the IT equipment line item to finance the purchase of hardware associated with replacing the AS400 that the County Treasurer previously mentioned. A motion was made by Legislator Hall, seconded by Legislator Fanton and carried to accept the Information Technology (A1680) and Central Service Telephone (A1610) 2010 proposed budgets as recommended by the Budget Officer.

Fire Service – 2010 Budget Review

Fire Coordinator Paul Gallmann presented 2010 budget requests for Fire Service (A3410) and Fire E-911 (A3510). Mr. Gallmann indicated that the 911 Communications Coordinator ends up having to work a lot of overtime, and it is very difficult to budget overtime expenses with any confidence. Mr. Gallmann stated that he is investigating to see if annual inspections on towers are mandatory. Mr. Gallmann also indicated that they are getting ready to go out to bid on a project where they will be switching from antennas to microwaves. A motion was made by Legislator Hall, seconded by Legislator Fanton and carried to accept the Fire Service (A3410) and Fire E-911 (A3510) 2010 proposed budgets as recommended by the Budget Officer.

Probation Department – 2010 Budget Review

Probation Director Robert Starks presented 2010 budget requests for the Probation Department (A3140, A3142, and A3143). Mr. Starks indicated that the Budget Officer made a few changes throughout his budget, and he is in agreement with those changes. Mr. Starks stated that anticipated revenues are up slightly from last year; however, overall the Probation Department experienced a 6 percent (\$12,000) reduction in state aid. A motion was made by Legislator Fanton, seconded by Legislator Hall and carried to accept the Probation Department (A3140, A3142, and A3143) 2010 proposed budget as recommended by the Budget Officer.

County Clerk's Office – 2010 Budget Review

County Clerk Robert Christman presented 2010 budget requests for the County Clerk's Office (A1410). Mr. Christman stated that the Budget Officer raised the anticipated 2010 revenues for his office from \$891,000 to \$970,000, and although he is a little concerned, he believes it's possible. Mr. Christman stated that New York State will be changing license plates in 2010, and the County Clerk's Office will retain about 20 percent of that. There does not appear to be any rationale for changing the plates other than a revenue-making scheme. House purchases are down which in turn lowers the mortgage tax collections. A motion was made by Legislator Hall, seconded by Legislator Fanton and carried to accept the County Clerk's Office (A1410) 2010 proposed budget as recommended by the Budget Officer.

Office of Emergency Services – 2010 Budget Review

Office of Emergency Services Director John Tucker presented 2010 budget requests for his office (A3640) as well as the Homeland Security budgets (A3645). Mr. Tucker stated that his vehicle is about ten years old, and he may need a different one next year. Mr. Tucker indicated that their federal aid has been capped, but they have been able to pick up some extra when other

counties drop the program. Mr. Tucker's office receives approximately \$2,000 in revenue toward EMT expenses. A motion was made by Legislator Hall, seconded by Legislator Fanton and carried to accept the 2010 proposed budgets presented by Mr. Tucker as recommended by the Budget Officer.

Public Defender – 2010 Budget Review

Public Defender Barbara Kelley presented 2010 budget requests for her office (A1170). Ms. Kelley noted that they really need new computers in her office, and she placed \$3,930 in her 2010 budget to finance the new computers which the Budget Officer agreed with. Ms. Kelley stated that the remainder of her budget is very similar to last year with a very small increase in a few of the .4 accounts. A motion was made by Legislator Fanton, seconded by Legislator Hall and carried to accept the Public Defender's (A1170) 2010 proposed budget as recommended by the Budget Officer.

County Historian – 2010 Budget Review

County Historian Craig Braack presented his 2010 budget requests (A7510). Mr. Braack requested that his .4 accounts be increased from \$1,761 to \$1,825, and the County Administrator also recommended this increase. A motion was made by Legislator Hall, seconded by Legislator Fanton and carried to accept the County Historian's (A7510) 2010 proposed budget as recommended by the Budget Officer.

Development Office and Planning Services – 2010 Budget Review

Development Director John Foels presented his 2010 budget requests for the Development Office (A6430) and Planning (A8020). Mr. Foels' budget requests were very similar to the previous year; however, the Budget Officer did reduce the Market/Advertising/Promotional Expenses account (A6430.474) from \$100,000 to \$60,000. Mr. Foels indicated that we would need to discuss the role of the Comprehensive Plan Implementation Group at some point. The Friendship Empire Zone believes that their program may be discontinued in June 2010, and the Budget Officer recommended reducing that account (A6430.475) to \$20,000.

Mr. Foels indicated that the position of County Planner has been advertised, the exam has been given, and they plan to begin reviewing the applications. The Budget Officer reduced the equipment line item for the Planning account (A8020.201) from \$9,000 to \$3,000, and Mr. Foels indicated he believed that would be adequate. The annual contract with the Planning Board Liaison in the amount of \$4,800 paid from account A8020.493 will no longer be needed if a County Planner is hired. A motion was made by Legislator Hall, seconded by Legislator Fanton and carried to accept the Development (A6430) and Planning (A8020) 2010 proposed budgets as recommended by the Budget Officer.

Tourism – 2010 Budget Review

Greater Allegany County Chamber of Commerce Executive Director Sherry Grugel presented the Tourism (A6989) 2010 budget requests. Ms. Grugel noted that the Budget Officer reduced the fees account (A6989.409) from the \$5,500 she requested to \$2,000. Ms. Grugel stated that account is used to finance the travel guide distribution, and they have seen an increase in their distribution costs. Ms. Grugel stated that the travel guide has not been a revenue producer in the past; however, they are working at making the guide more self-sustaining. A motion was made by Legislator Hall, seconded by Legislator Fanton and carried to accept the Tourism (A6989) 2010 proposed budget as recommended by the Budget Officer.

Soil and Water – 2010 Budget Review

Soil and Water Executive Director Gretchen Gary stated that the Soil and Water Conservation District received \$100,000 from the County in 2009, and she is proposing that the County enter into another three-year agreement with the District at the following appropriation amounts: \$130,000 for 2010, \$140,000 for 2011, and \$150,000 for 2012. Ms. Gary noted that the District has brought over \$4 million into the County for the implementation of environmental

projects on farms and for municipalities including an additional \$20,000 to the Allegany County General Fund. Ms. Gary stated that the District will be updating the Forest Lands Review and Management Plan, and she believes we will see an increase in harvestable timber. Ms. Gary indicated that she would be presenting her full proposal at the Public Works Committee meeting this afternoon.

Cooperative Extension – 2010 Budget Review

Cooperative Extension Executive Director Dianne Baker presented the Cooperative Extension 2010 estimated budget for review. Ms. Baker stated that cash flow is extremely tight, and at the end of last year they finished in the red by \$34,000. They had to pay some interest charges when they had trouble meeting their payroll. Staff has cut their hours to help balance the budget, and they have also capped their mileage reimbursement. Ms. Baker also explained that they cannot have a Cooperative Extension in Allegany County without County support and funding. Ms. Baker requested that the County budgetary appropriation in account A8751.492 be increased from \$200,850 to \$206,876. A motion was made by Legislator Hall, seconded by Legislator Fanton and carried to accept the Cooperative Extension annual appropriation as recommended 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
August 19, 2009

**** NOT APPROVED ****

Committee Members Present

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

Others Present

J. Margeson, M. McCormick, B. Riehle, T. Ross

Media Present

B. Quinn – Wellsville Daily Reporter

Approval of Minutes

The July 15, 2009 Budget Committee minutes were approved on a motion by Legislator Dibble, seconded by Legislator Fanton and carried. A motion was made by Legislator Fanton, seconded by Legislator Dibble and carried to amend the August 5 Budget Committee minutes to reflect that Legislator Dibble made the motion to adjourn the meeting rather than Legislator O'Grady. The amended August 5 Budget Committee minutes were then approved as amended on a motion by Legislator Dibble, seconded by Legislator Fanton and carried.

Sales Tax Report

County Treasurer Terri Ross distributed copies of a Sales Tax Report reflecting receipts through August 13, 2009, totaling \$10,092,496.43 and interest totaling \$1,716.36 which is down about 11.045 percent (\$1,253,184.07) over last year's figures. If the current trend continues, the County Treasurer projects that we could be approximately \$2.27 million short in sales tax revenue collections this year.

Ms. Ross briefly talked about some of the issues discussed at the Finance School she recently attended. Most counties are experiencing the same downward trends in sales tax revenues that we are seeing. In addition, interest income will also be down.

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
Special Budget Review
August 19, 2009

**** NOT APPROVED ****

Committee Members Present

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

Others Present

L. Ballengee, R. Budinger, P. Cockle, J. Garmong, M. Gasdik, R. Hartwick, C. Lorow, J. Margeson, S. Presutti, Y. Rechichi, B. Riehle, D. Roeske, T. Ross, P. Schmelzer, W. Tompkins

Human Resources - 2010 Budget Review

Human Resources Specialist H. Bobby Budinger presented budget requests for the Human Resources Office (A1430). Mr. Budinger stated that the Budget Officer concurred with everything requested, and their .2 and .4 budget requests for 2010 are lower than 2009. A motion was made by Legislator Fanton, seconded by Legislator Dibble and carried to accept the 2010 proposed budget for the Human Resources Office as recommended by the Budget Officer.

Real Property Tax Service Agency – 2010 Budget Review

Real Property Tax Service Agency Director Steven Presutti presented budget requests for his office (A1355). Mr. Presutti indicated that he had been slightly more conservative with the revenue budget projections than the Budget Officer who increased those line items by \$2,000. Mr. Presutti stated that he is trying to come up with some new revenue sources and hopes to be able to enhance their web page with subscription options for realtors, lawyers, etc. that will allow them to make copies and print maps. Mr. Presutti stated that he received correspondence from the NYS Office of Real Property after submitting his budget that they are proposing a 25 percent increase in their fees. If this proposal is approved, it would increase account A1355.430 by \$6,700, and Mr. Presutti may need to come back and request an adjustment to his budget. Mr. Presutti also commented that Allegany County has never charged these costs back to the towns as they do in some counties. A motion was made by Legislator Dibble, seconded by Legislator O'Grady and carried to accept the 2010 proposed budget for the Real Property Tax Service Agency as recommended by the Budget Officer.

Social Services Department – 2010 Budget Review

Social Services Commissioner Patricia Schmelzer presented budget requests for the Social Services Department (A6010, A6011, A6055, A6070, A6101, A6106, A6109, A6119, A6129, A6140, A6141, A6142, and A6150). The original 2010 budget requests for Social Services showed a 5.45 percent increase, and the Budget Officer made further cuts reducing the increase to 3.6 percent. Mrs. Schmelzer noted that she was instructed to budget for the Medicaid increase as if there was not stimulus money since it will only provide relief for two years, and our increases will continue at the fixed annual rate. County Treasurer Terri Ross indicated that they would budget normal expenses and show the stimulus money in the revenue section so that it will be evident what was received as stimulus money. Legislator Dwight Fanton asked if the stimulus money they will receive for Medicaid expenses can be assigned for future use. Ms. Ross stated that they are still debating what it can be used for. Ms. Ross stated that when we get closer to finalizing a budget, we will want to look at what we will be allowed to use the stimulus money for and how it can be reserved if that's what the Board would like to do. Ms. Ross also noted that we may not end up with extra money if the sales tax revenue or other accounts come up short. Budget Committee Chairman Theodore Hopkins asked Mrs. Schmelzer if she is seeing an increase in workload. Mrs. Schmelzer replied that some areas are going up and others have stayed about the same. They try to put resources in preventive services to keep some areas at bay. Legislator Fanton asked if the new changes in the Transit System would result in savings for Social Services, and Commissioner Schmelzer indicated that she believes it will. A motion was made by Legislator

Dibble, seconded by Legislator Fanton and carried to accept the 2010 proposed budget for the Social Services Department as recommended by the Budget Officer.

Sheriff's Office – 2010 Budget Review

Sheriff William Tompkins and Sheriff's Office Accountant Randy Hartwick presented budget requests for the Sheriff's Office (A3110, A3111, A3112, A3150, and A3152). Sheriff Tompkins expressed concern regarding the cuts that were made to his vehicle requests, noting that he requested \$199,625, and the Budget Officer cut it back to \$93,625. Chairman Crandall asked Mr. Margeson if we are falling behind on our Vehicle Replacement Program, and Mr. Margeson indicated that we are not falling way behind; we try to replace vehicles that have an excess of 100,000 miles on them. Sheriff Tompkins indicated that all of the vehicles listed will have over 100,000 miles on them by the end of the year, and the one Jeep is also a safety concern. If we wait until 2011, the mileage will be extremely high. Legislator Timothy O'Grady commented on the size of the Sheriff's Office fleet, noting that we've replaced the Trailblazer three times, and it's never come off the road. Legislator O'Grady also spoke against financing vehicles.

Legislator O'Grady mentioned the telephone revenue from inmate calls and asked if that revenue should be coming into the General Fund. Legislator O'Grady asked what money comes in from the telephone, where it goes, and how it is spent? Sheriff Tompkins stated that they've experienced a substantial increase, and the money is used primarily for training and equipment. The Sheriff stated that he will make sure that the County Treasurer receives a quarterly report.

A portion of the A3110 accounts were not reviewed by the Budget Officer and will be redistributed after the Budget Officer has had an opportunity to make recommendations.

Committee members discussed the new Telestaff software and associated maintenance costs. Sheriff Tompkins and Mr. Hartwick believe that the Telestaff Program will save time and money, and it should decrease overall overtime costs. Sheriff Tompkins indicated that they currently have an employee spend an entire shift every day calling people in for overtime. This will free that person to be productive on the shift.

A motion was made by Legislator Dibble, seconded by Legislator Fanton and carried to accept the 2010 proposed budgets for the Sheriff's Office as recommended by the Budget Officer with the exception of A3110 which the Budget Officer will supply at a later time.

Public Works Department – 2010 Budget Review

Public Works Superintendent David Roeske and Public Works Fiscal Officer Yvonne Rechichi presented budget requests for the Public Works Department (A1490, A1620, A3152, A8160, County Road Fund, and Road Machinery Fund). Mr. Roeske stated that he has discussed his concerns with Budget Officer John Margeson, and Mr. Margeson indicated that he would be willing to revisit some of the areas once he knows what the bottom line is. Mr. Roeske's areas of highest concern included the following:

A8160.204 Solid Waste – Equipment cut by \$111,900
D3310.465 County Road Fund – Striping cut by \$50,000
D5142.408 Snow Removal – General Supplies cut by \$100,000
DM5130.204 Road Machinery Fund – Equipment cut by \$250,000

Committee members discussed the cuts to equipment and Mr. Margeson indicated he would take another look and suggested that we may want to use a 3-year lease purchase for some of the equipment that has a higher life expectancy. County Treasurer Terri Ross stated that she does not agree with lease purchases when we have the money. Mr. Roeske stated that we are looking at these types of expenditures for equipment for the next several years. Legislator O'Grady talked about a 5-year plan and asked Mr. Roeske to give Mr. Margeson a list of equipment with expected replacement dates. Ms. Rechichi commented that they previously did a

5-year plan, and they are already behind due to past budget cuts. Budget Committee Chairman Theodore Hopkins stated that if we are going to spend \$500,000 in equipment every year, we should build that cost right into the budget. If we are not getting much interest on our money right now, it might make more sense to pay for our purchases up front. A motion was made by Legislator Dibble, seconded by Legislator Fanton and carried to accept the 2010 proposed budget for the Public Works Department as recommended by the Budget Officer.

Office for the Aging – 2010 Budget Review

Madeleine Gasdik, Deputy Director for Office for the Aging, presented budget requests for the Office for the Aging (A6772, A6773, A6774, A6775, A6776, A6777, A6778, A6779, A6780, A6781, A6782, A6783, A6784, A6785, A6786, A6787). Ms. Gasdik indicated that their biggest change is in equipment which was down \$6,900 from last year because they had to purchase some food warmers. They have tried to cut a lot of expenses, and their overall budget is up just 2.42 percent from last year. Legislator Dwight Fanton asked if the budget reflects the proposed move to the Crossroads site, and Ms. Gasdik stated that they budgeted \$5,300 for electrical expenses at Crossroads, and they also plan to pay for phone and computer costs. In addition Ms. Gasdik believes that someone may donate some money to help purchase additional furniture that will be needed. Legislator Fanton stated that he was under the impression that the IDA would be paying the electric as well as the gas, and he would like to take another look at the lease agreement. Mr. Margeson stated that some of these costs for the Crossroads Building may end up in a Buildings and Grounds account, or the County Treasurer may set up a separate account. A motion was made by Legislator Dibble, seconded by Legislator Fanton and carried to accept the 2010 proposed budget for the Office for the Aging as recommended by the Budget Officer.

Health Department – 2010 Budget Review

Public Health Director Lori Ballengee and Health Department Accountant Pamela Cockle presented budget requests for the Health Department (A1185, A2960, A4010, A4035, A4037, A4043, A4046, A4047, A4050, A4051, A4052, A4053, A4054, A4056, A4060, A4070, A4071, A4072, A4189, and A4190). The following summary was presented:

	<u>Tax \$ Necessary</u>	<u>% DOH Supported by Tax Levy</u>
FY 2007 Using Actual Expenditures as of 12/31/2007	\$1,598,084	24.50%
FY 2008 Using Actual Expenditures as of 12/31/2008	\$ 649,667	11.42%
FY 2009 Using 2009 Adopted Budget	\$1,726,280	37.13%
FY 2010 Using Budget Officer Recommendation	\$1,439,543	30.32%

Same Information without Special Education Costs:

	<u>Tax \$ Necessary</u>	<u>% DOH Supported by Tax Levy</u>
FY 2007 Using Actual Expenditures as of 12/31/2007	\$ 624,761	12.84%
FY 2008 Using Actual Expenditures as of 12/31/2008	\$ 255,985	6.59%
FY 2009 Using 2009 Adopted Budget	\$ 475,283	17.66%
FY 2010 Using Budget Officer Recommendation	\$ 568,143	20.53%

Mrs. Ballengee stated that their numbers keep going down so the Health Department Budget is decreasing, and they anticipate ending 2009 similar to 2008. Mrs. Ballengee indicated that they are working hard to continue to trim their budget, and they are constantly looking at what they spend and why it is being spent. Mrs. Ballengee provided a brief update on the imminent threat of swine flu. A motion was made by Legislator Dibble, seconded by Legislator Fanton and carried to accept the 2010 proposed budget for the Health Department as recommended by the Budget Officer.

Mental Health – 2010 Budget Review

Budget Officer John Margeson indicated that no increases in local funding were requested for the Mental Health accounts.

Employment & Training – 2010 Budget Review

Employment and Training Director Jerry Garmong presented budget requests for the CD1 Fund. Mr. Garmong stated that he made very few changes in the .2 and .4 line items. They lost a few funding sources; however, a portion of ARRA funding will make up for that loss. Mr. Garmong talked about the Trade Adjustment Act (CD1 6414) which assists those that lose their jobs due to foreign competition. Mr. Garmong indicated that there is a tremendous amount of work involved in these cases, and the state really needs to help fund it. Mr. Garmong indicated that they use the \$67,500 from County funding as a last resort, and they do not spend that money unless it's absolutely needed. They do not know what the new formula for funding after July 2010 will be; however, they have no reason to believe it will be less. Our unemployment rate in Allegany County is 9.7 percent which is better than some other areas. Legislator Dibble suggested sponsoring a resolution in an attempt to secure state funding for the Trade Adjustment Act. Mr. Garmong said that funding is currently being discussed at the state level, and we may want to wait and see what happens. Mr. Garmong noted that the higher the unemployment rate, the more aid we receive. Mr. Garmong commended the Health Department, noting that they did 92 physicals for the Employment & Training Center which cost approximately \$1,600, rather than the \$4,500 they would normally pay. A motion was made by Legislator Fanton, seconded by Legislator Dibble and carried to accept the 2010 proposed budget for the Employment and Training Center as recommended by the Budget Officer.

Board of Elections – 2010 Budget Review

Deputy Elections Commissioner Catherine Lorow presented budget requests for the Board of Elections (A1450). Mrs. Lorow indicated that there were not a lot of changes. The Board of Elections did receive approximately \$113,250 in grant money this year, and a portion of that money has been used. They hope to be able to purchase some better voting booths, and they would also like to purchase a trailer which would eliminate some rental costs. The technicians and inspectors will now be County employees. Mrs. Lorow stated that there will be storage problems for the new machines. Mrs. Lorow indicated that they are participating in a pilot program for the state, and the new machines will be used at Angelica and Amity for the primary on September 15. Next year no lever machines can be used. Ms. Lorow noted that the ballots will cost about 57 cents each, and at this point the towns are not being charged for this expense. Some counties charge back all expenses. A motion was made by Legislator Fanton, seconded by Legislator Dibble and carried to accept the 2010 proposed budget for the Board of Elections as recommended by the Budget Officer.

County Administrator – 2010 Budget Review

County Administrator John Margeson presented budget requests for his office (A1011). Mr. Margeson indicated that he increased his fees account (A1011.409) from \$22,500 to \$40,000 to cover anticipated costs for labor negotiation services. Mr. Margeson noted that so far in 2009, \$52,816 has been spent from the fees account, the majority of which was for labor negotiation services. Mr. Margeson stated that negotiations with all three unions have come to a halt as the unions have asked that the County suspend negotiations until the health care resolution has been addressed. The hourly rate for our negotiator went from \$95/hour to \$195/hour. Mr. Margeson stated that he has been representing the County for grievances and labor management issues in hope of saving some money, and he believes this may have resulted in \$5,000 to \$6,000 in savings. Mr. Margeson noted that the increase in the fees account may not be enough. Mr. Margeson stated that he increased the rentals account (A1011.414) from \$0 to \$102,000 in anticipation of paying rent for the new building at Crossroads. A motion was made by Legislator Fanton, seconded by Legislator Dibble and carried to accept the 2010 proposed budget for the County Administrator as recommended by the Budget Officer.

Beach and Pool – 2010 Budget Review

Mr. Margeson presented budget requests for the Beach and Pool accounts (A7180). Mr. Margeson stated that he requested an additional \$125 to cover increases in insurance and telephone expenses. The County will receive state aid for approximately \$19,000 or 50 percent of the costs associated with operating the Rushford Beach area. A motion was made by Legislator Dibble, seconded by Legislator Fanton and carried to accept the 2010 proposed budget for the Beach and Pool accounts as recommended by the Budget Officer (Voting No: T. O'Grady).

Contingency – 2010 Budget Review

Mr. Margeson presented budget requests for the Contingency account (A1990.429). Mr. Margeson stated that in 2009 the Contingency account was budgeted at \$710,000, and for 2010 he lowered that request to \$500,000, noting that it is really up to the Budget Committee how they would like to fund that account. Legislator Dwight Fanton expressed concern about not wanting to be faced with not having enough money. Chairman Curtis Crandall stated that we have to either budget a little extra for things or have money in Contingency for unknown things that come up, and it would be nice to have a little wiggle room. Chairman Crandall indicated that he would feel more comfortable leaving the Contingency account at \$700,000 for now. A motion was made by Legislator Dibble, seconded by Legislator Fanton and carried to increase the Budget Officer's recommendation for the 2010 budget appropriation for the Contingency account to \$700,000.

Risk Retention Health – 2010 Budget Review

Mr. Margeson presented budget requests for the Risk Retention Health Fund (CSH1710). Mr. Margeson stated that he requested a \$140,000 increase in the Risk Retention Health Fund for 2010 which would bring the Fund from \$5.8 million to \$5.94 million. Mr. Margeson also increased the revenue associated with this Fund from \$178,000 to \$645,000. It was noted that the 2009 budget did not reflect revenue contributions from employees or retirees. Legislator O'Grady suggested the County might want to increase the insurance buy-out amount as an incentive to encourage employees who might have other options to take the buy-out. A motion was made by Legislator Fanton, seconded by Legislator O'Grady and carried to accept the 2010 proposed budget for the Risk Retention Fund as recommended by the Budget Officer.

Annual Retirement Bill

County Treasurer Terri Ross stated that she paid the retirement bill in advance last year to take advantage of discounts, and if the County wants to do that in the future, we will need to budget accordingly. We are currently paying approximately 8 percent of our payroll into the pension fund, and that rate is expected to increase to 11 percent for the 2011 payment that we would make at the end of next year and higher yet in 2012.

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
September 23, 2009

**** NOT APPROVED ****

Committee Members Present

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

Others Present

D. Burdick, J. Margeson, D. Pullen, B. Riehle, T. Ross

Approval of Minutes

The August 19, 2009, Budget Committee minutes from the budget review meeting held at 9 a.m. were approved on a motion by Legislator Dibble, seconded by Legislator Fanton and carried. The August 19, 2009, Budget Committee minutes from the regular afternoon meeting were approved on a motion by Legislator Fanton, seconded by Legislator Dibble and carried.

Sales Tax Report

County Treasurer Terri Ross distributed copies of a Sales Tax Report reflecting receipts through September 14, 2009, totaling \$11,257,182.25 and interest totaling \$1,855.41 which is down about 10.632 percent (\$1,339,208.10) over last year's figures. If the current trend continues, the County Treasurer projects that we could be approximately \$2.20 million short in sales tax revenue collections this year.

It was also noted that we have collected \$1.4 million so far in Housing Federal Prisoners Revenue, and Ms. Ross and Mr. Margeson believe that we should be able to meet the 2009 budgeted amount of \$2 million.

2010 Budget

County Administrator/Budget Officer John Margeson stated that the tentative budget is in the development stage, and he hopes to release the tentative budget on September 30 or the first week in October. Mr. Margeson highlighted a few big ticket items that are experiencing big changes. Sales tax collections are down about \$1 million on the revenue side, and our contribution to the retirement system is up about \$1 million on the appropriation side. Mr. Margeson indicated that the committee will also need to decide how they want to use the ARRA Medicaid money.

Legislator Dwight Fanton talked about equipment that the Public Works Department really needs to purchase this year and suggested that \$108,000 be put back in the Public Works 2010 budget.

Budget Committee Chairman Theodore Hopkins expressed concern about the state's financial condition and cautioned that 2011 and 2012 are predicted to be worse than 2010 from a budgetary perspective. For the last four years, our budgets have averaged a 2.7 percent annual increase, and Legislator Hopkins indicated that he would hate to have us attempt to make the budget "too skinny" only to end up with double digit increases down the road.

Ms. Ross indicated that they plan to appropriate the \$433,322 remaining in the LLRW Siting Reserve Fund to the Crossroads Capital Project (H6997) in the 2010 Budget. Approximately \$348,000 has been spent on the Crossroads Capital Project, and this will leave about \$85,000 in that account.

Ms. Ross also noted that the Court Facilities Capital Project Fund is in the hole by over \$570,000, and she would like to see that account cleaned up and funded in 2009. If there is any money remaining in the account that isn't borrowed, it can fall back to General Fund when the project is completed. Legislator David Pullen commented that we authorized the bonds for \$13.8 million, and we can't borrow beyond that number without another bond resolution. Legislator Hopkins asked if

there is a possibility that the financial market might present a scenario where it would be better to go right to bond rather than doing the BANs first. County Treasurer Ross indicated that they would look at all options when the time comes, but typically you have to spend a certain percentage of the bond money within a given timeframe.

Committee members briefly discussed how much of the unappropriated fund balance they may want to use to balance the budget and reduce the tax rate. Legislator Timothy O'Grady indicated that he doesn't have a problem with using some of the fund balance to cover unexpected expenses. Legislator Theodore Hopkins stated that we also need to brace ourselves for future use. Committee members agreed that depending on where the tentative budget comes in at, they might want to use \$1 million from unappropriated fund balance to help balance the budget.

Mr. Margeson indicated that the Real Property Tax Office hopes to have a new assessed value next week. We will know a lot more about what type of tax rate increase we are looking at once the assessed value has been determined.

It was noted that capital projects for four bridges have been included in the 2010 budget.

Legislator Timothy O'Grady asked how much it costs us to do all the things we do in lieu of sharing our sales tax revenue, and Mr. Margeson indicated that a conservative guess would be about \$5 million.

Adjournment

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

Respectfully submitted,

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

BUDGET COMMITTEE

October 21, 2009

**** NOT APPROVED****

Committee Members Present

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

Others Present

D. Burdick, B. Riehle, T. Ross, K. Toot

Approval of Minutes

The September 23, 2009, Budget Committee minutes were approved on a motion by Legislator Fanton, seconded by Legislator Dibble and carried.

Sales Tax Report

County Treasurer Terri Ross distributed copies of a Sales Tax Report reflecting receipts through October 14, 2009, totaling \$13,539,782.67 and interest totaling \$1,855.41 which is down about 7.491 percent (\$1,096,341.23) over last year's figures which is an improvement over previous reports. If the current trend continues, the County Treasurer projects that we could be approximately \$1.6 million short in sales tax revenue collections this year. It was noted that the previous shortfall was estimated at \$2.2 million so things are moving in a positive direction.

2010 Budget

Budget Committee Chairman Theodore Hopkins announced that there will be a special Committee of the Whole meeting at 10 a.m. on Monday, November 9, so that the 2010 Tentative Budget can be reviewed and discussed by the entire Board.

It was noted that the 2010 Tentative Budget uses \$500,000 from the fund balance.

Governor's Deficit Reduction Plan

On October 15, New York State Governor David A. Paterson released his two-year, \$5 Billion Deficit Reduction Plan to address the current year budget gap and improve New York's long-term fiscal stability. The proposals have not yet been considered by the Legislature. NYSAC President Tom Santulli released a statement supporting the Governor's proposals, noting that cuts that would have included mandated cost shifts to counties were eliminated.

Although funding for mandated programs has not been cut, the proposal includes cuts to many departments that run optional state-funded programs. Office for the Aging Director Kimberley Toot stated that the proposal will affect all of her core programs. Mrs. Toot stated that if money is not found elsewhere to run programs such as Meals on Wheels, they will have to start waiting lists for services. Mrs. Toot indicated that Office for the Aging representatives from around the state are campaigning to save core programs by offering up something else. If we get cut, the County will have to decide how they want the Office for the Aging to handle things. County Treasurer Terri Ross indicated that the proposed cuts are around 10 percent, and departments may not be able to absorb cuts without cutting services.

Departmental Third Quarter Financial Reports

Committee members requested Ms. Ross to send notices to the six largest departments letting them know that they should plan to attend the next regular Budget Committee meeting to present their third quarter financial reports.

Committee members also talked about the possibility of having County Administrator/Budget Officer John Margeson send a letter asking departments to be frugal at the end of the year, and reminding them to be timely in their submissions for reimbursement.

Adjournment

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

Respectfully submitted,

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

**2010 ALLEGANY COUNTY TENTATIVE BUDGET
PUBLIC HEARING**

NOVEMBER 12, 2009

**** APPROVED ****

Legislators present: G. Benson, D. Burdick, C. Crandall, W. Dibble, D. Fanton, W. Hall, T. Hopkins, D. Pullen, D. Russo, N. Ungermann; Legislators-Elect: D. Cady, K. LaForge

Others present: A. Finnemore, J. Margeson, T. Miner, B. Riehle, T. Ross, P. Schmelzer; Members of the Public (4); Media: J. Loyd, Olean Times Herald; R. Mangels, WJQZ Radio; B. Quinn, Wellsville Daily Reporter

The public hearing on the 2010 Allegany County Tentative Budget was declared open at 7:00 p.m. by Chairman Curtis W. Crandall, who then led the Pledge of Allegiance to the Flag. Invocation was given by Legislator Pullen.

Chairman Crandall welcomed those present and turned the meeting over to County Administrator/Budget Officer John Margeson. Mr. Margeson requested that the Clerk of the Board read his 2010 Budget Message:

Budget Message for the 2010 Allegany County Tentative Operating Budget:

“The Allegany County Tentative Operating Budget for fiscal year 2010 calls for Appropriations totaling \$110,792,718 and Revenues totaling \$83,653,684. Total Appropriations have increased by \$5,401,287, or 5.1 percent over total Appropriations in the 2009 Final County Budget, and total Revenues have increased \$3,643,397, or 4.5 percent over total Revenues in the 2009 Final Budget.

The amount required to be raised by County real property tax in order to balance the Budget is \$27,139,034, or 6.9 percent more than the amount raised in 2009. However, as a result of an increase of \$77.5 million in taxable assessed value which occurred from 2009 to 2010, the increase in the County property tax rate rose by only 1.77 percent. The Average County Tax Rate in 2009 was \$16.62 per one thousand dollars of assessed value. The 2010 rate, based on the Tentative Budget, increased to \$16.91 per one thousand dollars of assessed value. The amount of County property tax paid on a home with an assessed value of \$50,000 in 2009 was \$831. Based on the Tentative Budget, the property tax bill in 2010 for that same home (assuming the assessed value has not changed) will be \$845, or \$14 more.”

Mr. Margeson explained the procedure for the budget hearing by reading the following:

“Good evening and welcome to tonight’s public hearing on the 2010 Tentative County Operating Budget. The purpose of this hearing is to give the public the opportunity to become familiar with the Tentative Budget, ask questions as to its contents, and offer comment for the benefit of the members of the Board of Legislators.

The format we will follow tonight in reviewing the Tentative Budget is identical to the format we have used for several years. If you do not have a copy of the Tentative Budget and would like one, they are available on the table in the back of the room.

The Appropriations portion of the Budget, which is the only portion we review during the public hearing, is comprised of 18 major cost centers beginning with General Government Support and ending with Debt Service Fund. The Clerk of the Board will read the total appropriated amount for each major cost center. We will then pause and ask if anyone has a question or comment with regard to that specific cost center or any departmental budget contained in that cost center. Once questions have been addressed, or if there are no questions or comments, we will proceed until we have worked through the entire budget.

On a final note, I would like to remind those in attendance that the sole purpose of this hearing is to address the Tentative Budget. This hearing is not intended as a forum to debate the value or necessity of particular County agencies or programs. Anyone who has a desire to express his or her opinion with regard to individual programs or services should do so with your elected legislative representatives at another time.”

The Clerk of the Board read each major category of the Budget Appropriations, along with the corresponding total. A summary of comments and questions pertaining to each category is included below, with answers indicated in italics:

Total General Government Support - \$7,907,782

Gudron Scott, Independence, commented on the Board's decision to give raises or bonuses to Department Heads. She read from a *New York Times* article dated November 10. Governor Paterson was quoted as saying, “We stand on the brink of a financial challenge of unprecedented magnitude in the history of this state. This is a historic moment. We’re going to have to make historic decisions.” The article went on to say, “While the state faces a deficit of more than \$3 billion for the remaining four and one-half months of this fiscal year, the greater worries among state officials are the unprecedented deficits the state faces in 2011 and 12, after the expiration of federal stimulus financing and a temporary tax increase on the wealthy.” The State Comptroller has estimated that the deficit for the remainder of the current fiscal year is even more than \$3 billion, it’s \$4 billion. Ms. Scott commented that under these circumstances and what will be facing the Legislators for the next four years, this is not the time to give raises or bonuses to anyone. These raises will be paid for by people who are not getting any raises, but quite the contrary. Alstom has said there will be 500 people laid off in Hornell, and some of those will be Allegany County residents; farmers’ milk prices have plummeted; and there will be no increases in Social Security payments because there was no increase in the overall cost-of-living index. Because of this financial crisis, we can’t assume the state will pay everything they have always said they will pay. They have said they will pay up to one-third of the interest on the \$13.5 million bond for the Courthouse expansion, but they never said exactly what they would pay. That will be affected by the current financial crisis.

Cindy Gowiski, Birdsall, referred to Account A1990 Contingent and questioned why the Budget Officer recommended \$1 million when the Department Head requested \$500,000.

Budget Officer John Margeson stated that he was the Department Head that originally requested the \$500,000, but after subsequent conversations with the Budget Committee, it was the general consensus that Contingency should be raised to \$1 million. Mr. Margeson felt that in 2010, there will be an enhanced effort for economic development in the County that will require some County expenditure.

Total Education - \$2,832,400

Total Public Safety - \$9,037,448

Cindy Gowiski asked what the bulk of the \$1.2 million increase in Public Safety was for, and if it was mainly law enforcement. *Mr. Margeson pointed out that total expenditures in Public Safety have gone down. In 2009, the total appropriation was \$10.9 million, and the 2010 Tentative Budget shows a total appropriation of \$9 million. (Ms. Gowiski withdrew her question.)*

Total Health - \$5,401,218

Total Bus Transportation - \$756,000

Gudron Scott commented that she was hopeful that the County will eventually have actual public transportation. There are some people who want public transportation, not just for medical appointments, but for other things like jobs. There could be a lot more improvement and more communication so that people realize the County is trying to do this.

Total Economic Assistance & Opportunity - \$36,632,969

Total Culture and Recreation - \$493,096

Total Home & Community Services - \$2,180,786

Total Undistributed - \$21,140,838

Grand Total General Fund - \$86,382,537

Total WIA Grant Fund - \$1,226,854

Total Risk Retention Fund - \$333,500

Total Risk Retention - Health Fund - \$5,940,000

Grand Total County Road Fund - \$9,629,496

Grand Total Road Machinery Fund - \$1,263,754

Grand Total Capital Projects Fund - \$2,120,447

Cindy Gowiski asked what accounted for the \$1 million difference between 2009 and 2010 total Capital Projects Fund appropriations. Is it Jail debt service or Courthouse or both? *Mr. Margeson responded that Jail debt service would not be identified in that fund, nor would the Courthouse project. The Capital Project Fund identifies predominantly the bridge projects the County is doing. In fact, for 2010, that fund is entirely made up of bridge repair or replacement.*

Ms. Gowiski questioned how many bridges are slated for replacement. *Mr. Margeson replied that current plans include three County bridges and one Town bridge. Normally three or four projects are done, and four are scheduled for 2010.*

Ms. Gowiski asked why \$1 million more was budgeted if there wasn't an increase in the number of projects scheduled. She was hoping five or six projects would be done to catch up on the bridges put on delay.

Total Self Insurance Fund - \$815,080

Total Debt Service Fund - \$3,081,050

Cindy Gowiski questioned if this fund included the Jail payment, and if the amount was entirely Jail payment. *County Treasurer Terri Ross explained that Schedule 4, Statement of Debt, on page 58 indicates the debt schedule and payment of principal to be made for each bond in 2010, including the Jail. No interest is included, only principal.*

General Comments:

Cindy Gowiski commented that had the \$77.5 million in assessment increase not occurred, this Budget would have represented a nearly seven percent increase in the tax levy. Ms. Gowiski's concern is that if we're spending seven percent more in a year when we're not even yet paying for the Courthouse addition, what can we expect in the near future? We may be heading for a catastrophic bankruptcy in this County for our taxpaying property owners. We're stretched to the maximum now. Cattaraugus County's tax rate per thousand is \$12.64 and Steuben County's is \$8.75. They each have a much larger tax base, but if we're looking at a tax rate of almost \$17 per thousand, who's going to want to come here to help build up the tax base? We're going to continue pushing people out of the County, and there'll be fewer of us to spread this burden on. We need to start making some cuts in services. At a previous meeting, Legislator O'Grady made some suggestions for cost savings measures and none of them were even considered. When are we going to start tightening our belt?

Legislator Ungermann expressed his concern that the \$77.5 million in increased assessment didn't come from new construction; it came from reassessments. Maybe in Allegany County the average value of a house is \$50,000, but the state average is \$130,000, which is an indication that this is a pretty poor county. If we had built something in the County to generate that \$77.5 million increase in assessed value, that would be great, but we didn't. We just shifted the burden.

Legislator Fanton pointed out that Alstom's and Friendship Dairy's expansions were probably a part of that increased assessment. Mr. Margeson responded that Alstom would have been, but he wasn't sure Friendship Dairy got on the rolls in time. If they didn't make it this year, it'll show up next year.

Cindy Gowiski noted that the increase in assessment for the Town of Cuba alone was \$38 million. That's over half right there in a poorly done re-evaluation. Clarksville accounted for \$15 million, Bolivar accounted for \$7 million, and New Hudson accounted for \$5 million. Just a few towns made up that \$77.5 million increase in assessed value. Whatever Alstom and Friendship Dairy contributed was less than what these little towns contributed in re-assessments.

Adjournment: The public hearing was closed at 7:35 p.m. following a motion to adjourn made by Legislator Hopkins, seconded by Legislator Fanton and carried.

Respectfully submitted,
Adele Finnemore, Journal Clerk

BUDGET COMMITTEE
November 18, 2009

**** NOT APPROVED ****

Committee Members Present

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

Others Present

L. Ballengee, D. Burdick, R. Hartwick, M. Healy, D. Horan, J. Margeson, B. Reynolds, B. Riehle, D. Roeske, T. Ross, F. Sinclair, R. Starks, W. Tompkins, K. Toot, R. Truax

Media Present

B. Quinn – Wellsville Daily Reporter

Budget Committee Chairman Theodore Hopkins called the meeting to order at 2 p.m.

Approval of Minutes

The October 21, 2009 Budget Committee minutes were approved on a motion by Legislator Dibble, seconded by Legislator Fanton and carried.

Social Services - Third Quarter Financial Report

Social Services Director of Administrative Services Donald Horan distributed copies of his third quarter financial report. Mr. Horan stated that the accounts are right where they should be and very close to budgetary projections. Mr. Horan indicated that they have seen more federal revenue from the ARRA which lowered the weekly share of Medicaid by \$25,000 to \$30,000 per week.

Public Works – Third Quarter Financial Report

Public Works Superintendent David Roeske distributed copies of his third quarter financial report. Mr. Roeske noted that income from the Recycling Program will fall short; however, excesses in other accounts will cover the shortfall. Legislator William Dibble asked if the revenues could be boosted with campaigning and getting more people to recycle. Mr. Roeske and Public Works Chairman Dwight Fanton indicated that it's not so much the volume, but the fact that the price we can get for our recyclables has gone way down. Mr. Roeske stated that they will be requesting a few transfers to balance their expense accounts. They have had a few projects to do at the jail and will need to transfer money to the maintenance accounts, but there should be money left over in the jail utility accounts. Legislator Dibble commented that it would be nice to get sewer down to the Public Safety Facility sometime in the future. The County is still plowing snow in two towns – Alfred and Clarksville. Committee members complimented Mr. Roeske regarding the nice job that was done on widening the access road for the Courthouse addition. Mr. Roeske indicated that he should have a cost analysis in the near future. Mr. Roeske stated that the Village of Wellsville was a tremendous help with the waterline, and he really appreciated it.

Health Department – Third Quarter Financial Report

Public Health Director Lori Ballengee mentioned that they held a mass flu vaccine clinic this past Saturday and 1,600 vaccines were administered to more than 1,100 people. Mrs. Ballengee stated that they are well stocked with vaccine, and they are in the process of distributing it to colleges and doctors' offices. Mrs. Ballengee distributed copies of her third quarter financial report, noting that overall the Health Department accounts are accurate and close to projections. As of October 31, 83.3 percent of the year has expired, and they have collected 75.92 percent of their revenue. Some third quarter state aid claims do not actually get submitted until November. On the expense side, 61.11 percent of the Health Department budget has been spent. Mrs. Ballengee stated that accounts A4011 and A4040 are both dramatically over budget because the Nursing Programs were only budgeted for three months, and the sale of these programs to Willcare occurred later than originally anticipated. The rates for the Special Education Programs have not been set so payments have been delayed and

are months behind leaving excess appropriations in the A4060 (Early Intervention) account which will help offset the shortfall in the accounts associated with the Nursing Programs. Mrs. Ballengee complimented the fine work her Program Managers have done this year and stated that overall they hope to spend about \$600,000 less than originally projected. Mrs. Ballengee also mentioned that the E-911 Center will be taking over their answering service beginning December 1, and that will save about \$160/month. Mrs. Ballengee issued a special thank you to Accountant Pamela Cockle for completing the financial report while she is at home with a sick child.

Office for the Aging – Third Quarter Financial Report

Office for the Aging Director Kimberley Toot distributed copies of her third quarter financial report, noting that as of September 30, 2009, they have collected 69 percent of their revenues and expended 72 percent of their appropriations. The Office for the Aging accounts are all accurate and very close to projections. Mrs. Toot distributed copies of an analysis she did regarding the impact the Governor's deficit reduction proposals would have on services to seniors, and she believes that the estimated financial impact will be \$22,560. Mrs. Toot indicated that she has been doing some advocacy, and she has encouraged the seniors in the County to do the same. Mrs. Toot stated that they are advocating for cuts in areas that won't cut core programs. There are areas that can be cut that won't affect the quality of life as seriously as cutting the core programs. Chairman Crandall asked if Allegany County was hit harder than other counties due to our demographics, and Mrs. Toot indicated that she does not believe that demographics have anything to do with it. However, in urban areas, Meal-on-Wheels Programs might be spread over or shared by other entities that we do not have so some cuts may not be as severe to them.

Sheriff's Office – Third Quarter Financial Report

Sheriff William Tompkins and Sheriff's Office Accountant Randy Hartwick distributed copies of their third quarter financial report. Sheriff Tompkins indicated that they anticipate that their revenue collections will exceed the budgeted amount by approximately \$100,299, and they should also spend approximately \$49,435 less than originally budgeted. Sheriff Tompkins called committee members' attention to revenue A03.2260.01 (Jail Facilities), noting that the state discontinued this revenue stream after the 2009 budget was completed. The Sheriff indicated that we may or may not get the \$35,000 currently budgeted to A03.2260.03 (Sheriff-Drug Task Force Grant), and he isn't sure why the A03.2264.06CT (Housing Other Counties Inmates) was budgeted at \$50,000 because he never would have expected to receive that. The Sheriff indicating that a booking error has caused the A3110.1 account to appear over budget. When an employee works overtime in the jail it gets paid out of A3150, but some compensatory time earned in the jail was inadvertently taken out of A3110 when it was used. The Sheriff acknowledged that they previously requested a transfer from Contingency to cover medical expenses, but they were able to cover any other shortfalls within their own accounts, and they anticipate coming in about \$50,000 under budget. The Sheriff stated that we have received approximately \$2.2 million from housing federal inmates. Sheriff Tompkins commented that our local jail population is increasing which decreases the number of federal inmates we can house, and the federal numbers would be even lower if we couldn't classify inmates in the way we do. The local level should even off. Our female population has increased, and we average about 17 females a day. Sheriff Tompkins gave a brief description of the process that is followed when someone is arrested and brought to the jail. Probation Director Robert Starks stated that most people are at the Jail at least 12 to 24 hours before they can get out. Pre-trial release doesn't work that quickly – the Probation Department has employees that determine if someone should be released with an ankle bracelet, on their own recognizance, etc.

Probation Department – Third Quarter Financial Report

Probation Director Robert Starks distributed copies of his third quarter financial report. Mr. Starks indicated that the accounts are accurate and very close to projections. The SORA Level 3 Offender and Shared Services Grant revenue accounts appear to be lagging, but they run on a different fiscal calendar and are still on target. Electronic home monitoring fees are up from what was originally anticipated, but the Probation Department should still come in under budget as the personnel expenses are lower than budgeted due to filling vacant positions at a lower rate of pay.

Sales Tax Report

County Treasurer Terri Ross distributed copies of a Sales Tax Report reflecting receipts through November 13, totaling \$14,691,559.90 and interest totaling \$2,120.14 which is down about 7.034 percent (\$1,111,641.51) compared to last year's figures. If the current trend continues, the County Treasurer projects that we could be approximately \$1.54 million short in sales tax revenue collections this year. Ms. Ross distributed a copy of the paperwork she receives from the state on our sales tax revenue so that committee members could see what she receives. Ms. Ross shared a copy of the NYS Office of the State Comptroller Local Government Snapshot publication wherein an analysis of state-wide sales tax collections appeared. Fifty of 57 counties had a decline in sales tax collections for the first three quarters of 2009. Although Seneca and Hamilton counties experienced some growth as a result of new retail locations, most of the growth seen was due to late payments and other technical adjustments.

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 16, 2009

**** NOT APPROVED ****

Committee Members Present

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

Others Present

L. Ballengee, D. Burdick, M. Healy, J. Margeson, B. Riehle, T. Ross, P. Schmelzer, R. Truax

Budget Committee Chairman Theodore Hopkins called the meeting to order at 2 p.m.

Approval of Minutes

The November 18, 2009 Budget Committee minutes were approved on a motion by Legislator Dibble, seconded by Legislator Fanton and carried.

Cuts to Child Welfare Funding

NYS Governor Paterson has directed the Division of the Budget to delay state reimbursement to counties for child welfare services. Allegany County's originally scheduled payment for December 2009 was \$522,000, and that amount is being reduced by \$222,000 for a total of \$300,000. Social Services Commissioner Patricia Schmelzer attended the meeting to explain how this action will affect Allegany County. Mrs. Schmelzer explained that child welfare funds are for preventive services and are financed 63 percent from state aid and 37 percent from local County funds. The Child Welfare Preventive Services provides services to keep children from being removed from the home. Mrs. Schmelzer indicated that one reason the state is anxious to get rid of this funding is because it's open-ended funding. Allegany County has to spend the money before we can apply for reimbursement; however, the state advances a portion of the money based on historic figures. Reconciliations are about two years behind, and Allegany County does not record the advances as revenue until reconciliation is complete. Fortunately Allegany County has never recorded or booked the state aid as revenue until the money is actually reconciled, but not all counties have been that conservative. The last reconciliation Social Services received showed a shift of the state's share to the federal liability column, and Mrs. Schmelzer believes the state will push to have it taken out of the budget. County Treasurer Terri Ross stated that Allegany County may never feel the effect of the proposed \$222,000 cut because of the way we account for it, and when reconciled we receive the funding from the state or from the feds. Mrs. Schmelzer stated that the Social Services Department tries to do everything they can before removing a child from the home. Legislator Dwight Fanton commented that it could end up being even more expensive if the preventive services are discontinued, and we begin removing more children from their homes.

County Administrator/Budget Officer John Margeson stated that we have not received notice that additional programs are being cut. The Governor has made a decision to delay state aid payments to school districts, towns, cities and villages, and it will be interesting to see if some of these entities end up bringing a suit against the Governor. Legislator Timothy O'Grady commented that the state has indicated that they will potentially reimburse counties as funds become available, but what if funds do not become available?

Sales Tax Report

County Treasurer Terri Ross distributed copies of a Sales Tax Report reflecting receipts through December 14, totaling \$15,775,259.82 and interest totaling \$2,396.08 which is down about 6.878 percent (\$1,165,231.99) compared to last year's figures. Ms. Ross stated that she will receive two more payments of sales tax revenue to be applied to the 2009 budget. Ms. Ross believes that our sales tax revenue collections will be approximately \$1.5 million under budget for 2009.

Ms. Ross also reported that overall the County has spent 78 percent of our 2009 budget and received 83 percent of our revenue. Overall we are in good shape and staying on target.

NYS Retirement System

Legislator O'Grady asked if there has ever been a push to reverse the way the state does the retirement. Legislator O'Grady stated that we should pay more when times are good and less when times are bad. Ms. Ross stated that starting with the new Tier V employees, a personal employee contribution to the retirement system will be required. Some County Treasurers are also pushing for a cap when things are bad. Ms. Ross noted that our contribution is down slightly from earlier estimates. We paid our \$1.397 million dollar bill earlier this month. By paying it in December, we were able to save approximately \$13,000.

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