

**COMMITTEE OF THE WHOLE
JANUARY 8, 2009**

**** APPROVED ****

Members Present: Chairman C. Crandall, G. Benson, D. Burdick, W. Dibble, D. Fanton, W. Hall, T. Hopkins, K. Kruger, M. McCormick, T. O'Grady, D. Pullen, B. Reynolds, D. Russo, N. Ungermann; (*Absent: R. Truax*)

Others Present: Unified Court System Counsel for Capital Planning William Clark and Administrative Assistant Andrew Isenberg, LaBella Associates Representatives Mark Kukuvka and Penny Mashtare, and approximately 10 County personnel and members of the public; **Media:** J. Loyd, Olean Times Herald.

Call to Order: The meeting was called to order at 7:00 p.m. by Chairman Curtis W. Crandall followed by the Pledge of Allegiance to the Flag. Invocation was given by Legislator Pullen.

Chairman Crandall's Opening Remarks:

The purpose of the meeting, like the one held on December 3, was to present information on the court facilities project and to ensure that legislators had as much information as possible prior to voting on the bond resolution January 12. Chairman Crandall commented that he made a statement at the Organization Meeting that there are some heavy issues to deal with, and he would like to see the Board "get them behind us." It's now evident that it's not going to be our choice whether or not we get these issues behind us. This comes from his conversation with Chief Administrative Judge Ann Pfau in Albany on January 7 regarding the sanction process the County faces if we don't deal with the financing and scheduling for the court facilities plan we submitted to OCA.

Chairman Crandall quoted from Judge Pfau's November 18 correspondence: "Pursuant to Section 1680-c of the NYS Public Authorities Law, I am prepared to approve the County's Capital Plan as soon as I receive an updated schedule of milestones and confirmation that the County Legislature has authorized the financing necessary to advance this plan. ... Any further delay in completing this Plan and advancing it in accordance with its terms will result in the initiation of the process set forth in the Judiciary Law leading to the imposition of financial sanctions against the County." In his recent conversation with Judge Pfau, Chairman Crandall was told that the County's deadline to have financing and scheduling information to the Judge is the end of January; otherwise, the sanction process will begin the first part of February.

How that process will come about is that the Judge will send to the State Comptroller the amount of funds necessary to correct the problem. Then, if the County wishes, there is a mediation process, followed by a 60 to 90-day period for response before funds will be shut off. There will be further conversation on the actual amount. The question on the language of the original 1987 Court Facilities Act, dealing with the actual fund that state aid would be withheld from, was answered and clarified at the Court Facilities meeting on January 7. OCA has given us a deadline, and there are only two meetings between now and then. The time has come to deal with this issue.

County Administrator John Margeson:

On Monday, January 12, the Board will consider a bond resolution for financing the court facilities project. Mark Kukuvka was invited to come back before the legislature to give a brief overview on what the plan calls for and to give an opportunity for questions regarding the plan. Mr. Kukuvka will also address other options available for additional space for County offices.

Presentation by LaBella Associates, Mark Kukuvka:

Mr. Kukuvka presented an overview of the court facilities project, similar to the one given in July 2008 (see minutes of the 07/28/08 Committee of the Whole meeting; also a copy of the PowerPoint presentation is attached to the original minutes). The plan specifications have not changed since July. Mr. Kukuvka reviewed the Project Approach, Site Plan, Floor Plan, and Building Perspective Highlights. The Budget Estimate has also remained the same as that presented in July, but is included below for reference.

Budget Estimate for Courthouse and County Office Building, July 2008:

The estimate has been broken down by project components; the square footage and cost estimate for each component are indicated below:

Courthouse Renovation:	9,600 sf	\$ 1,852,000
Courthouse Addition:	42,000 sf	11,935,000
County Office Building Renovation:	<u>33,000 sf</u>	<u>4,897,000</u>
Total Project:	84,600 sf	\$18,684,000

Costs are inclusive project costs (including contingencies, construction manager fees, bonding costs, etc.) and are adjusted for inflation according to the assumption that construction will begin Summer/Fall 2009. (For comparison purposes, the September 2007 proposal included a total project square footage of 97,700 at a cost estimate of \$22,678,000; current estimates have been reduced by nearly \$4 million and total project square footage has been crunched by 13,000 square feet.)

Summary of OCA Capital Plan Improvements:

- Court/Hearing Rooms: from 2 to 4
- Judges' Chambers: from 2 to 3
- Designated Public Waiting Areas: from 0 to 3
- Holding Cells: from 1 to 4
- Attorney/Client Conference Rooms: from 0 to 4 plus Law Library
- Jury Deliberation Rooms: from 1 to 2
- Handicapped Accessibility: to all floors
- Secure Separation of Prisoners, Judges, Staff, and Public
- Formal Court Security Screening Area
- Controlled Access to Family Court and Surrogate Office
- Increased File Storage Capacity
- Future Expansion: Unfinished "Shell Space" Provided on Second Floor of Addition

County Office Building Space Improvements:

Department	Existing Net SF	Proposed Net SF
Clerk of Board/Legislative Chambers	3,313	4,237
County Administrator	409	765
County Attorney	1,005	1,630

Social Services *	11,629	15,532
District Attorney	620	2,023
Health **	4,693	7,625
Human Resources	1,008	1,782
IT	2,513	2,930
Public Works	2,173	3,330

* Incorporates Support Collections back into County Office Building

** Incorporates Wellsville WIC Office and Cancer Services back into County Office Building

Alternatives to Renovating Former Jail for Additional County Office Space:

Mr. Margeson noted that part of the County's plan calls for renovation of the former jail for County office space. Over the past month, there has been discussion of looking at alternatives to renovating that floor. Mr. Kukulka gave a brief overview of some options that may be available and preliminary estimates for those options:

The current budget estimate breakdown for the proposed renovation work on the Office Building (as of July 2008 and assuming construction begins Summer/Fall 2009) includes:

Third floor (former jail) - 16,300 square feet (including elevator work)	\$3,590,000
Ground, Main, and Second floors	<u>1,217,100</u>
Total	<u>\$4,897,100</u>

LaBella requested Ciminelli to provide preliminary estimates for construction of a new 16,300 square foot single-story municipal office building at the Public Safety Facility site:

Construction costs between	\$2,600,000 and	\$3,000,000
Site costs between	300,000 and	500,000
Soft costs between	<u>800,000</u> and	<u>1,000,000</u>
Total between	\$3,700,000 and	\$4,500,000

Estimates to build out (finish off) the proposed 6,000 square feet of ground floor shell space in the addition to provide additional County office space were presented. Possible functions for this space: IT and Public Works (considering size, keeping entire departments together, and agencies).

Construction costs between	\$ 300,000 and	\$ 420,000
Soft costs between	<u>60,000</u> and	<u>84,000</u>
Total between	\$ 360,000 and	\$ 504,000

Questions and Comments:

Mr. Kruger questioned Mr. Kukulka on (1) the cost to finish the addition for court use, as he didn't believe FFE costs were included and may come to over \$500,000, (2) the cost to finish off the upper floor shell space in the addition, and (3) parking to replace the lost area and also to accommodate the additional traffic that bringing WIC and Support Collection to this building will add. The parking problem has to be addressed before we break ground, because there aren't even any staging areas or places for the construction workers to park. Mr. Kruger also noted his concern about the addition being built so close to the bank, and he gave photos, taken this year, to Mr. Kukulka showing severe erosion on the bank, trees tipping over, and rock that has fallen out along the embankment. He commented on one of Mr. Kukulka's photos that shows a gravel embankment across the river that diverts water toward the bank and a small set of rapids that weren't there in 1978.

Mr. Kukulka responded that the County is planning to salvage as much as possible, and regarding the court spaces, FFE is all included. Mr. Pullen referred to some recent articles that stated project estimates don't include things like paint and carpet. Mr. Kukulka noted that was not true; the completed facilities will be in "turn-key" condition, other than desks, chairs, and personal items.

Mr. Kruger noted a couple of court projects where the buildings were much older than ours, and questioned if it is a good idea to spend this kind of money on that large of a building on a bank that's eroding. Mr. Kukulka stated there was no settling and there has been no cause for concern for the present Courthouse over the history of the property. Mr. Ungermann commented that the river is starting to eat deeper as evidenced by the foundations of the railroad bridge becoming exposed. The bank's elevation is 54 feet above the water. This should be a concern; the bank is not bedrock, but shale. Mr. Kukulka noted that soil borings will be done, and any areas for concern or problems can be mitigated by modifying the foundation system.

Mr. Burdick questioned the square footage of the second floor shell space in the addition. Mr. Kukulka remarked that it was between 1,500 to 2,000 square feet.

Presentation – William J. Clark, Esq., Counsel for Capital Planning, NYS Unified Court System:

William J. Clark, Counsel for Capital Planning, works with municipalities around the state to advance plans for adequate court facilities. This marks his seventh or eighth visit here, and the fourth with this Board. The last time he was here was on June 26, 2006 with a serious message to deliver regarding Allegany County's court facilities. The message was taken seriously, and since then, a lot of effort has gone into development of a suitable plan. Mr. Clark has worked with Chairman Crandall, Mr. Margeson, Mr. Pullen, the Court Facilities Committee, local Court personnel, and LaBella, along with Andrew Isenberg, to try to come up with an acceptable Capital Plan. He also reviewed Mr. Ungermann's alternate proposal, which was given consideration by the Chief Architect, personnel in the Judge's Office, Mr. Younkens, and the Chief Administrative Judge. For a variety of reasons, which were spelled out, that proposal was deemed not acceptable.

The County's current plan, which started out at a certain level and was reduced down to its present iteration, was submitted as the County's Capital Plan. Upon review, the Chief Administrative Judge has determined that it does meet the needs of the courts and indicated in her correspondence to Chairman Crandall that she is inclined to approve the plan upon provision of two additional items: an updated schedule and information on financing for the project.

The Board is on the verge of voting on the financing, and that is the reason for Mr. Clark's visit – to tell us that if the project is not financed in the near future, the Judge is prepared to advance the sanction process. The time to consider alternatives is over. The plan is almost completed. Once it is completed, the Judge is prepared to approve it and the state will reimburse the County for up to 33 percent of the interest on borrowing. If the plan is not completed, the sanction will be imposed and the Judge will authorize the interception of state aid. The County currently receives approximately \$13 million in state aid. This, or a significant portion, will be withheld. That is not a step Judge Pfau wants to take, and not a result anyone here wants.

The Court System has been very tolerant with the County's delays. Mr. Clark's files are overflowing with articles, letters, and proposals, highlighting years of failed efforts to get this done. We've never been so close as now to having an approvable plan; but at the same time, the Court System has never been so close to imposing a sanction on the County. Sanctioning will be a painful, complicated process. History has shown it to be an effective measure of getting the project done, as was the case in both Erie County and the City of Newburg. The time has arrived for Allegany County to advance their Capital Plan.

Comments:

Mr. O'Grady questioned if the County Office Building renovations are considered part of the Court Facilities Capital Plan. Mr. Clark replied that as long as the project addresses the courts' needs, they are satisfied. The rest of the renovations are prudent and logical to complete simultaneously.

Mr. Ungermann referred to the illustration of Erie County's near sanction in the amount of \$13 million and wondered how a comparison could be made with Allegany County. There are only 50,000 people in Allegany County. State Court System personnel may find it hard to understand with their salaries, but our average per capita income is less than \$15,000, and the average income for a family of four is \$34,000. The average value of a house is \$50,000, but statewide it's \$148,000. Mr. Clark works for the state, but he also works for the people, and there has to be some compassion for what we can afford. We need to find a middle ground; either way we're broke. He cares about what the taxpayers have to pay, and he also realizes we have to uphold state laws. That's why we need to meet in the middle. The project is getting unaffordable. The County is already \$31 million in debt, and after this, that figure will be \$50 million.

Mr. Clark stated that this responsibility has been before the County for over 14 years. With this position comes the responsibility to resolve problems. Mr. Clark has the responsibility to work with us to arrive at a solution. That solution has to be suitable for the courts. In order to get the most for the money, he has been willing to work with any solution that is acceptable. This plan is. Mr. Ungermann's plan was unacceptable. That decision was not personally made by him, but by people with expertise for what will work for the courts. How long is the Court System supposed to wait? If not now, when?

Chairman Crandall commented that we could take Mr. Ungermann's statement even further. Shame on New York State. The Court Facilities Act was passed in 1987, long before any of us was here on the Board. Not just considering what Norm pointed out, but also in other areas, Allegany County has been dealing with this mentality in New York for a long time in every department across County government – and that's having to be on the same playing field as the state's largest counties.

Mr. Kruger commented that he does take OCA's position seriously, and this Board would like nothing more than to fix the court facilities, but our struggle is affordability. In his town, the tax rate is already \$76 dollars per thousand, and the citizenry is made up of a large percentage of elderly people. He was asked by his constituents not to support the bond resolution. If OCA was truly concerned about the County's citizens, they'd be more willing to allow us to renovate space we already have in the former jail, bringing the project cost down to the \$4-5 million range. That space could be configured anyway the courts would deem acceptable, but LaBella was not even given the opportunity to look at that space. It represents two-and-one-half times more space than the courts currently have. It wouldn't be perfect, but Tioga County's building

probably wasn't either, and the City of Hornell was allowed to use an old bank building, and they were able to come up with acceptable configurations.

Mr. Kruger stated that he is not supporting the bond resolution. The taxpayers can't pay for it. The Town of Friendship's sewer system was imposed on them by state mandates, and now OCA is mandating new court facilities, so the taxpayers will experience another tax increase for a project they'll never live to see paid for. Mr. Kruger commented on a previous resolution dealing with money received for housing inmates at the new jail facility being placed in a reserve account, but that money has been placed in the General Fund. He stated there will be problems with financing, and these issues will come to the forefront. Mr. Kruger stated that if Judge Pfau decides to sanction the County and take things like Meals on Wheels from the elderly, that will be on her head; he won't be responsible.

Mr. McCormick referred to figures included in the December 3 presentation regarding the court facility project's financial outlay of \$13.7 million in principle and about \$10 million in interest and questioned whether the percentage of the state's reimbursement for interest was negotiable. Mr. Clark replied that the percentage was capped at 33 percent by legislative action. He was unsure what Allegany County would be eligible for, but thought it would be the 33 percent. Mr. McCormick questioned if the cap could be changed by state legislative action.

Mr. Clark pointed out that the state does reimburse for court expenses such as cleaning and security. Legislation established back in the 1970's was designed to help municipalities with their responsibilities. They were relieved of a big burden when the state took over payroll, but localities were left with the responsibility to provide suitable facilities. Some failed to maintain them and the state's response was to create the oversight process of the Court Facilities Capital Review Board. Allegany County is one of 119 municipalities. Every other one has complied with the Court Facilities Act except us.

Mr. Reynolds commented that he will be supporting the bond resolution, but also requested that when Mr. Clark goes back and when he gets the opportunity to speak before the state legislature, to consider that small counties can't be treated the same as larger ones. Some mandated actions can totally devastate small areas. Even issues like the risks faced by our Judges are not the same as in big city environments. State government doesn't do things fairly in regards to small, rural areas. Mr. Clark responded that a New York City court project wouldn't be a \$17 million project, but closer to \$100 million. They don't compare areas on the same scale.

Closing Remarks – David T. Pullen, Court Facilities and County Space Needs Committee Chairman:

Mr. Pullen noted that many hours have been spent on the court facilities issue, both at the local level, and by Office of Court Administration personnel. We're at a crisis, and we're going to try to deal with that. Mr. Pullen responded to something that he and Mr. Kruger have differed on, and that's perspective. No one in this room is responsible for the mess that we're in, but we have a problem that we have to deal with. Mr. Kruger made a very strong statement that he won't be responsible for the fact that we may face sanctions, but in another sense, he will be responsible, because we know what can be done to avoid that. The choice is whether we will experience a \$13-14 million sanction in one year. We couldn't bond to cover current operating expenses, because the sanction would take away the revenue needed to bond against. The alternative is to bond the expense for the court project over 25 years, the same way most of us would have to buy homes. We're talking about bonding – that's the option we have. To say "if we can't pay cash, we can't do it," most of us would be living in cardboard boxes if we took that attitude at home. If someone chooses to say "don't blame me for the problems," Mr. Pullen stated that he's not, but he is blaming them for not accepting an alternative that we have available.

Mr. Pullen prepared his comments for tonight around the theme of "going" on a journey. In 1989, Allegany County began a journey for which we are now at a turning point. We didn't ask to go on that journey, but that doesn't seem to matter. We're not making this journey alone. The state legislature decided that every county and city in New York State had to take a similar journey. Every other county and city has already started this journey, and most of them have finished. Most of them were as unwilling as we are, and most of them raised the same objections for the same reasons.

Where are we "going"? We are "going" to build a courthouse. Whether we want to or not, or think we can afford to or not, we are "going" to have to do it. If we don't, it's "going" to be done for us. After much research, Mr. Pullen has concluded that we really have to do this. If we fail to act promptly on this mandate, we are "going" to experience sanctions in the form of having all state aid intercepted for one year. That interception amounts to about \$14 million, the approximate cost of the court facilities. The only real issue is whether we can survive the sanctions. We cannot. Some refuse to accept that the state can and will intercept our state aid. There is irrefutable evidence that they can and will take that action; they have already done it with Erie County and the City of Newburg. We have no basis to believe they will act differently with us.

One way or another, we are "going" to get a new courthouse. There are two separate routes we can take to get there. We can build our own courthouse and control the design, construction, and financing. That is the direction this Board has chosen. The other route, if we fail to act and take the responsible course, is the default route and will go to sanctions and interception of our state aid. The rest of that trip revolves around the state deciding what the courthouse will look like, where it will be built, and how much it will cost. He has seen how the state handles major projects, and we don't want to "go" there. Although we don't have a choice about "going" on this particular journey, we do have a choice about what kind of journey it will be.

Mr. Pullen noted that he took an oath of office to uphold the laws of this state and do the best job he could to provide leadership for Allegany County. He is "going" to do that. He doesn't like the choices we've been given, but will do the best he can with the limited options before us. Those who refuse to go on this trip are effectively choosing to hand the decision-

making over to OCA and the state. He does not want to “go” there either, and hopes that enough legislators will join him to prevent that from happening. We are “going” to take some flack for whatever choice is made, because it’s a no-win situation. For that reason, he is committed to make the best decision he can, and he has concluded that means moving forward with the bonding and make every effort to keep the expense as low as possible. We have talked about this matter thoroughly, and spent years on it. It has defined the term of this current Board. It is time to make a decision. We’ve been told we have the rest of January, and hopefully we’ll make the right decision.

Adjournment: The meeting was adjourned at 8:45 p.m. following a motion made by Legislator Reynolds, seconded by Legislator Fanton and carried.

Respectfully submitted,
Adele Finnemore, Journal Clerk

**COMMITTEE OF THE WHOLE
JANUARY 12, 2009**

**** APPROVED ****

Members Present: Chairman C. Crandall, G. Benson, D. Burdick, W. Dibble, D. Fanton, W. Hall, T. Hopkins, K. Kruger, M. McCormick, T. O'Grady, D. Pullen, B. Reynolds, D. Russo, N. Ungermann; *(Absent: R. Truax)*

Others Present: C. Braack, A. Finnemore, L. Gridley, A. Harding, J. Margeson, T. Miner, B. Riehle, T. Ross, K. Toot; **Media:** B. Quinn, Wellsville Daily Reporter; R. Mangels, WJQZ

Call to Order: The meeting was called to order at 1:30 p.m. by Chairman Curtis W. Crandall.

State Environmental Quality Review (SEQR) Process – Court Facilities Project:

David Pullen, Chairman of the Court Facilities and County Space Needs Committee, distributed completed copies of the Short Environmental Assessment Form (EAF) (copy attached to original minutes). Mr. Pullen explained that the State Environmental Quality Review Act does not require or prohibit action based on environmental issues, it just requires a review. There are three categories of actions. Type 1 requires an environmental impact statement, which is an expensive, extensive, and complex matter. Type 2 actions do not have a significant impact, and simply conclude that no further review is necessary. The third type, unlisted actions, covers the vast majority of projects. The EAF was prepared by County Administrator John Margeson. There was no concern on any of the issues, but Mr. Pullen went through the form line by line. The determination of significance was that the proposed action will not result in any significant adverse environmental impacts. This is the recommendation of the County Administrator, but it needs to be ratified by the Board of Legislators.

The ultimate goal in the review is to adopt a negative declaration, or a finding that there is no significant environmental impact from the proposed action. Mr. Pullen distributed copies of a Negative Declaration, Notice of Determination of Non-Significance form. This statement, dated with today's date, was prepared by County Attorney Thomas Miner. In December, a notice was sent out to the other involved entities: NYS Department of Environmental Conservation, Town of Amity, and Village of Belmont. All three have responded with their consent to Allegany County acting as lead agency. Now, moving ahead as lead agency, the next step is to adopt the negative declaration. Mr. Pullen read through the form (copy attached to original minutes) for the action which is termed an unlisted action.

A motion was made by Mr. Pullen and seconded by Mr. Reynolds to offer for resolution: "Designation of Allegany County as Lead Agency and Determination of No Significant Impact with Respect to the Court Facilities Plan together with the County Office Needs Plan."

Mr. Ungermann commented that the current bond resolution includes funds to refurbish the old jail and questioned why that part of the project was not included on these forms. Mr. Pullen responded that the renovation of an existing facility is a Type 2 action and is automatically exempt from this process.

Mr. O'Grady asked that if the project deviates from the current plan, would the form have to be changed, or would another form have to be filed? Mr. Miner stated that if it deviates too much, we would have to complete another form. If the scope of the project increases, we would have to, but if it decreases, we wouldn't.

Mr. Kruger indicated his non-support, because he didn't support any aspect of this big expenditure. This project is way out of reach, especially for those taxpayers in District II who will have to pay a disproportionate share for this bond.

The motion was carried by a majority following a voice vote (several noted opposition). **Refer for Resolution.** *(The Resolution was subsequently considered from the floor at the Board Meeting immediately following this Committee of the Whole meeting.)*

Adjournment: The meeting was adjourned at 1:45 p.m. following a motion made by Legislator Pullen, seconded by Legislator Reynolds and carried.

Respectfully submitted,
Adele Finnemore, Journal Clerk

COMMITTEE OF THE WHOLE
February 24, 2009

**** APPROVED ****

Members Present: Chairman C. Crandall, G. Benson, D. Burdick, W. Dibble, D. Fanton, T. Hopkins, K. Kruger, M. McCormick, T. O'Grady, D. Pullen, D. Russo, N. Ungermann; (*Absent: W. Hall, B. Reynolds, R. Truax*)

Others Present: J. Foels, J. Margeson, T. Miner, B. Riehle

Media Present: B. Quinn, Wellsville Daily Reporter

Call to Order: The meeting was called to order at 7:00 p.m. by Chairman Curtis W. Crandall followed by the Pledge of Allegiance to the Flag.

Chairman Crandall's Opening Remarks:

Chairman Crandall stated that we have had numerous Committee of the Whole meetings where we have had open discussion about different projects and kicked around ideas. Many of those ideas have been jelled up, and we are into more than our fair share of projects – some by choice and some not.

Chairman Crandall indicated that Legislator Pullen had a call earlier today from Congressman Eric Massa who will be calling shortly to provide an update on the Stimulus Package. Legislator Michael McCormick stated that it seems to him that the stimulus money is going to the state and just backing up some contracts that have already been awarded.

Chairman Crandall indicated that he had talked with Tom Carpenter, Regional Representative for Governor Paterson, about the Stimulus Package also known as the American Recovery and Reinvestment Act, at the end of last week. Chairman Crandall had seen a list from a newspaper in Poughkeepsie which included some Allegany County Projects (Belfast School, Cuba Sewer and Water, Alfred State College) that were marked to be funded with stimulus funding, but those projects were previously funded by the state. Chairman Crandall told Mr. Carpenter that he heard that New York was playing a shell game of bringing funds in and just replenishing coffers for money already promised to projects. Mr. Carpenter indicated that the projects that we see coming out early came from a list that Governor Paterson presented as projects that were ready to go. Mr. Carpenter assured the Chairman that those projects were previously submitted by the Governor, and the others are still in the works and will be moving along.

Chairman Crandall stated that at the recent NYSAC Conference they announced that Timothy Gilchrist was appointed as the Chair of the NYS Economic Recovery and Reinvestment Cabinet to oversee a team working for New York State to call out shovel ready projects. The Chairman stated that everyone should have received a copy of the summary listing all of the town and village projects that was sent to the Governor. Since that time, others have been received and sent in. Many of the projects listed indicate that they are shovel ready, but they may not be. The Chairman recently sent a memo to all towns, villages and legislators informing them that Governor Paterson created an Economic Recovery Website (www.economicrecovery.ny.gov) to promote efficiency and transparency in response to the \$24 billion in aid from the American Recovery and Reinvestment Act of 2009. Chairman Crandall encouraged town and village officials to resubmit their proposals through this website. Chairman Crandall indicated that the Governor's Office issued a press release yesterday announcing the first economic recovery projects, and Allegany County was listed; however, it was for NYS bridge maintenance and cleaning which are actually

state projects. Legislator Fanton stated that the costs associated with bridge maintenance and cleaning should be under normal maintenance, and economic stimulus money should not be used for this. Legislator Michael McCormick stated that several Legislators met with Congressman Massa a few months ago, and we asked for two things – help with the Courthouse and help with the Crossroads Water and Sewer Project, and we put a monetary amount of \$25 million on those projects. Legislator David Pullen briefly talked about his discussion with Congressman Massa on the phone. Legislator Pullen stated that Congressman Massa indicated that our projects are not going to qualify under other aspects of the stimulus plan, but we may qualify under the economic development component.

Conference Call with Congressman Eric Massa

Congressman Massa greeted everyone and indicated that he wanted to offer up a couple of updates. When we first talked, the Stimulus Package was still under development, and it currently calls for approximately \$25 billion of taxpayer money being sent back to New York at significant political cost. Congressman Massa is trying to ensure that New York is not a donor state, and he indicated that he is trying to return as much of this taxpayer money back to New York as possible. This money is going to be spent in local areas on local projects under different authorities. We do not want to create a new bureaucracy so the majority of the funding is going to be issued through existing programs. Congressman Massa stated that every single school district in the 29th Congressional District is receiving rather extensive funding over the next two years, and those numbers have already been released. Congressman Massa stated that with respect to certain projects now the work begins. The Congressman met with key players around the state in Chemung County to identify exactly what can and cannot be done and how quickly it can be done. Legislation has been improved since the original requirement that projects had to be shovel-ready within 90 days. The economic stimulus money has now been split in half -- the first half must be obligated within 180 days, and the second half will be distributed next year which is very good for us. Many of our smaller towns and entities just don't have the infrastructure available to have their projects ready that quickly. The Congressman stated that the next step is to bring the Governor's representatives together with County, Town and Village officials and set up the same kind of meeting in every county in the state like they just held in Chemung so that Albany understands what the priorities are. Congressman Massa asserted that he has very clearly articulated that Allegany County's two biggest priorities are the Courthouse and Crossroads, and we need to continue to push it in an attempt to secure some funding. Congressman Massa indicated that he would answer a few questions.

Legislator Michael McCormick stated that he is worried about New York State being in the middle of the Stimulus Package, and he believes NYS plans to back stop a lot of its programs with this federal money. Congressman Massa stated that we should be worried. The state is in a very severe budgetary crisis, and the state budgeters are doing all they can to make their balance sheets whole. That is one of the reasons we want to have these collective and very public meetings on the record so that we have a clear understanding of what the funding is, what the guidelines are, etc.

Congressman Massa indicated that \$7.4 billion has been earmarked for rural broadband development, and we should aggressively be working toward obtaining some of this funding. Congressman Massa indicated that they are having meetings to learn how to expand on what is already being done and how to get that money in the rural counties.

Legislator McCormick also mentioned the water project in Wellsville, and Congressman Massa indicated that water projects are being handled through a revolving water project fund, and the Congressman indicated that he wants to learn more about this area.

Legislator David Pullen stated that he has been told that the Crossroads Project does not qualify for funding under either the Clean Water Revolving Loan Fund or the Drinking Water Revolving Loan Fund that are both administered by the Environmental Facilities Corporation. They have their technical qualifications, and we were told that we do not qualify and apparently that is where most of the water and sewer projects will get funding, but because this is for new economic development we will not get anything through those programs. Congressman Massa indicated that this is the type of feedback he needs to get along with specific details on who said what and why so that he can help us. Legislator Pullen provided Congressman Massa with the names of the people he has spoken with, and the Congressman indicated that he has someone on staff – Mike Heenan, phone #282-225-3161 that manages stimulus issues and he will ask him to look into this.

Chairman Curtis Crandall asked about the coordination and distribution of the stimulus money and wondered what kind of role the Congressman is playing in this. The Congressman indicated that if we cannot get the answers we want or explanations that make sense, that is when he will get involved. If he senses that the stimulus money is not being adequately represented or distributed in his Congressional District, he will get involved. Congressman Massa indicated that so far he has been pleasantly surprised with all negotiations.

Legislator Karl Kruger stated that he appreciates that the CHIPS funding has been reinstated to the level of last year. It is critical to keep what infrastructure we have maintained so we don't fall further behind. Every town relies heavily on this money. "We discussed a federal prison in Farmersville or Friendship; can you give us an update?" Congressman Massa indicated that there is really no update – he was trying to trace down a series of rumors, and what he found was a series of partial conversations that were several years old filled with "what ifs" that really ended no where. Nothing is being contemplated at this time.

Congressman Massa encouraged Legislators to contact him with concerns and updates.

Economic Stimulus Package

Chairman Crandall questioned if anyone really knows what they are doing with the stimulus money. We are not going to be able to go to one source and hammer something out. Ultimately things will go through Timothy Gilchrist. We have to use any and all means to get our message across. The Chairman reiterated that he recently sent a letter to the towns and villages encouraging them to resubmit their projects via the website the Governor recently set up.

Legislator Kruger commented that especially for our towns and villages it is very expensive to get projects to the point where they are shovel ready. It's almost impossible when you consider the studies, engineering costs, and all the hoops that have to be jumped through. Legislator Kruger also commented on the poor quality of the water at the Crossroads, and how it should qualify especially since we have talked about opening water availability to residents.

Legislator Pullen mentioned the \$7.4 billion which has been earmarked for rural broadband development. Congressman Massa previously talked about the STW Fiber Project and indicated that broadband availability in Allegany County is well under way; however, STW's project is not going to do what Allegany County really needs it to do. Legislator Pullen asserted that we have no concrete plan or program in existence; we really need to get on the stick and develop a business plan with an actual proposal with the aid of experts on how it would ultimately work. We need to put everything together and move forward as quickly as we can so that Congressman Massa can put it in an early project for New York State.

Legislators briefly discussed the fact that very little of the economic stimulus money will actually stimulate the economy immediately. They also discussed the Federal Medical Assistance

Percentage (FMAP) money and County Administrator John Margeson briefly explained how the program will work. Mr. Margeson indicated that NYSAC's analysis looks like Allegany County should get \$2.9 to \$4.2 million. Because of high unemployment rates, it's reasonable to expect that Allegany County would see \$4.2 million spread out between April 2009 and December 2010. The money will not come directly to the County; instead our weekly share of Medicaid would be reduced by about \$50,000 a week. Legislator Theodore Hopkins said they mentioned at NYSAC that the state has looked at money coming back to the counties, and they intend to reduce some of our other money or "play games" with our other revenue streams. Legislator David Pullen stated that the justification that Senator Schumer used is that during difficult economic times, we will experience an increase in Medicaid applications, and expenses will go up so the increased FMAP was never intended to be a windfall.

Crossroads Project

Mr. Margeson indicated that the last significant action that took place in regards to the Sewer and Water Project at Crossroads was the submission of applications to the State Comptroller's Office about two months ago. Before districts can be created, they have to be approved by the Comptroller's Office. Mr. Margeson indicated that he has had several conversations with the legal staff at the Comptroller's Office and our application is being reviewed by Ellen McDonald. They have questions regarding the viability of these districts. The first question posed was why is the County moving forward with these districts without the potential for residents to tap into the system. It has always been our intention that both of these districts and the infrastructure associated with the districts was intended specifically for economic development purposes at Crossroads. We also indicated that we want to get pipe to Crossroads to foster the development of jobs. We want to make the water and waste treatment system available to residents at some time in the future. Another concern the Comptroller's Office raised had to do with any feasibility studies we have done in the Crossroads area. They have asked us to provide business plans or market feasibility studies which would backup our thought that putting pipe in the ground would foster development. Fortunately the Development Office has commissioned a few studies. Development Director John Foels provided Mr. Margeson with copies of marketing and tourism feasibility studies that specifically addressed Crossroads. They have been forwarded to the Comptroller's Office, and hopefully we will receive feedback soon. Another concern the Comptroller's Office had was whether we intend to require landowners or potential owners to put up surety bonds to assist in paying the debt service associated with financing this project, and we indicated that we had not, but we could consider this if they are making that recommendation. Legislator William Dibble suggested that our Comprehensive Plan may also have material that could be used. Chairman Crandall said that with the approval of the Comptroller's Office, that project is ready to do; we would be putting people to work and accomplishing what the Economic Stimulus Act set out to do.

Mr. Margeson also indicated that the Department of Public Works has been assisting him in contacting landowners as there are nine different spots where the pipe comes out of the right-of-way. We will either potentially buy the property for the pump stations or obtain easements. Legislator Dibble mentioned the Department of Transportation having an interest in getting water to the rest stop.

Legislator David Pullen stated that the cost would be prohibitive for any end user to have to initially pay 100 percent of the cost of this project. Hopefully we can secure a minimum of one-third of the cost of the project through grant funding. An additional one-third could be charged to the users, and the County could try to raise the remaining one-third which would ultimately be done through a bed tax if we have hotel-type facilities there. The Comptroller's Office holds veto power. Would the County go out and do this if we do not have an end user? Can we adopt a resolution that might say that the position of this Board is that we will not actually commit any funds until we

have guaranteed users? We need to have an end user out there as well as a plan of how it is financially viable to pay for it. Chairman Crandall suggested waiting to see if the information from the studies will be sufficient for them to approve our applications.

Legislator Karl Kruger stated that he sees a lack of tying the property up at the other end of the waterline a real stumbling block. Stuart Brown and his study said that we need to get control of the property from the landowner. Legislator Kruger said that he cannot believe that the Comptroller would approve a project where we are risking public funds to run a pipe to nowhere. We have absolutely no control over that property. Mr. Margeson confirmed that the Comptroller's Office is aware that the County does not own the property. Legislator Pullen asked if Legislator Kruger is proposing that we sign purchase offers with the property owners. Legislator Kruger stated that he believes that all we really need is an agreement from the property owner that the property will be available for a certain time period for a fixed amount of money. This would give us some control of the costs, and John Foels would be armed with information that could be provided to potential buyers. Legislator Pullen stated that this type of development is very novel for the Comptroller's Office, and various funding programs are also typically geared to residential development which makes the Comptroller's Office wonder how it will be paid for. Legislator Pullen does not believe the County should be the one to make arrangements for the property. Legislator Dibble suggested sending something to the Governor's Office asking for him to help us move the Crossroads Project through the Comptroller's Office.

Courthouse Project Update

Last week LaBella started to do some preliminary work with regard to the Courthouse Project. They have gone back through the building to get some exact measurements. They will be sending a few surveyors down, and they will also be taking samples of the plaster and tile to determine if there is asbestos in the building.

Chairman Crandall stated that Congressman Massa had asked if we were ready to start our Courthouse Project if funding became available. Although we are not ready to start the full-blown project, there is preliminary work that can be done on this project. How much time does there need to be to address the building and site work? We know that the maintenance building needs to be taken down. Legislator Dibble also suggested that work could begin in the old jail at any time.

Legislator Pullen indicated that Legislator Doug Burdick has raised questions about soil borings, and he has been looking to see something official from LaBella indicating that their professional opinion is that the addition to the Courthouse could go on the footprint that they have identified in their plans. Mr. Margeson indicated that soil borings were a part of their proposal, but Mr. Margeson is not aware of what their timeframe is. Mr. Margeson stated that we do have records for borings that were done in 1974, and they will be shared with LaBella very soon. LaBella will tell us if those borings are sufficient for the current project or if they will want to take new borings. We should have an answer regarding the old borings by late next week.

Legislator Michael McCormick asked when we will go out to bid, noting that LaBella had indicated that it would be six to nine months. Legislator McCormick stated that with that timeframe we wouldn't be breaking ground out back until next year. Legislator Dwight Fanton commented that the engineering is part of that project and much of that has been completed. In addition, LaBella has indicated that they are willing to "jump through hoops" if we receive stimulus money for our project. Mr. Margeson has asked them to expedite final drawings, and we could be ready to bid much earlier. The Department of Public Works has seen the preliminary drawings.

Budget Update

Mr. Margeson stated that when the Governor first issued his proposed budget, there was a lot of anxiety regarding that Budget. Mr. Margeson has asked the department heads to monitor any information from associations and from Albany that may impact our budget, and we are being very vigilant about that. We are also in weekly contact with NYSAC. What we have is the Governor's proposal that hasn't been discussed by the Senate and Assembly, and it's being complicated by the Stimulus Package. When the dust does settle, if things do not look good, department heads will have a plan to respond to what might be some ugly news on the budget. So far, the biggest hits have been in the Health Department program; we have not seen much loss in Social Services yet.

Executive Session

A motion was made by Legislator Fanton, seconded by Legislator Dibble and carried to enter into executive session to discuss the employment history of a particular corporation. Immediately following discussion, a motion was made by Legislator Fanton, seconded by Legislator Hopkins and carried to end the executive session and return to the regular meeting.

Adjournment

The meeting was adjourned at 8:55 p.m. following a motion made by Legislator Dibble, seconded by Legislator Pullen and carried.

Respectfully submitted,
Brenda Rigby Riehle, Clerk of the Board

**COMMITTEE OF THE WHOLE
FEBRUARY 13, 2009**

**** APPROVED ****

Members Present: Chairman C. Crandall, G. Benson, D. Burdick, W. Dibble, D. Fanton, W. Hall, K. Kruger, D. Pullen, B. Reynolds, D. Russo (*Absent: T. Hopkins, M. McCormick, T. O'Grady, R. Truax, N. Ungermann*)

Others Present: D. Button, A. Finnemore, J. Foels, K. Hooker, J. Margeson, T. Miner, B. Riehle, T. Ross; **Guests:** Joe Starks, President of ECC Technologies; Gary Roberts, Alfred University; Tom Dawson and Carl Rahr, Alfred State College; Jay Livingston and Don Haingray, Houghton College; Billy Foster, Jones Memorial Hospital; **Media:** J. Loyd, Olean Times Herald; B. Quinn, Wellsville Daily Reporter

Call to Order: The meeting was called to order at 1:10 p.m. by Chairman Curtis W. Crandall, who then led in the Pledge of Allegiance to the Flag. The Invocation was led by Legislator Pullen.

Chairman Crandall explained that the purpose of the meeting was to discuss a potential broadband fiber optic project in Allegany County. Background: Several years ago, Ontario County began investigating their telecommunications, and they are currently involved in a project to install two fiber optic loops in their county. Chairman Crandall distributed copies of information from the Finger Lakes Regional Telecommunications Development Corporation, which is overseeing that operation (copy attached to original minutes). While at a NYSAC meeting a year ago, several Allegany County Legislators sat in on a presentation by Ontario County about broadband technology, which was followed by other conversations, and the subject was recently brought back up. There have been discussions and questions about available funding and what might be included in the stimulus package. Joe Starks, from ECC Technologies, was invited for a presentation. They are the technical entity behind the Finger Lakes Project and are involved in all but one of the projects across New York State.

Broadband Fiber Optic Technology, Joe Starks, ECC Technologies:

As recently as five years ago, no one at the municipal level understood the importance of broadband telecommunications technology and how communities got involved. Everyone thought it was someone else's problem. Businesses need it, and if we want those jobs in the community, we need to have the foundation to support it. Broadband is just a form of telecommunications, but it's more than broadband that makes the community successful for technology. Mr. Starks quoted what he feels is his company's motto, "By developing solutions that only meet the needs of today, you will surely miss the opportunities of tomorrow." We need to plan ahead.

Successful technology infrastructures for communities:

- Public/private partnerships
- Community-wide approach (can be owned by anyone but controlled by the community)
- Includes fiber optics, wireless, electronics, pathway and resources to support it all (mapping has been completed for existing infrastructure and services in our County; just waiting for the GIS layer)
- Vary by community
- Generally thought to be someone else's problem
- A new focus by progressive communities (30 counties in New York are addressing it in some form. A three-county project is currently being done by Southern Tier West.

- A key component of economic development programs (Ontario County reported creation of 100 technical jobs last year resulting from their fiber investment.)

Issues faced by rural communities:

- Lack of investment
- Lack of competition
- Cost competitiveness (rural areas pay more – supply and demand)
- Need for redundant infrastructure. The reason this municipal broadband and fiber industry got started was that technology industries can't afford to lose their telecommunications. Communities without effective infrastructures are being left behind (the old "digital divide").

Recognizing the issues:

- Getting involved
- Taking responsibility (During Ontario County's telecommunications study, two major technology-based companies announced they were leaving, resulting in the loss of 750 jobs. That was the main impetus for their project.)
- Developing community-wide telecommunications strategies and plans
- Realizing options and resources (options include fiber optics or wireless or both – every situation is unique)
- Re-defining the digital divide (those communities that get involved vs. those that don't)
- It's a community-wide issue and needs a community-wide response

To move forward:

- Vision required to move community forward
- Create community-wide awareness
- Get buy in and support of political leaders
- Enable a community sponsored technology and telecommunication task force
- Include and expand the roles of traditional information technologies professionals
- Establish a foundation for a community-wide telecommunications plan

Goals of an effective plan should:

- Consider the needs of the entire community (can't be a burden to taxpayers and has to be sustainable)
- Prioritize economic development by focusing on the strengths and addressing the weaknesses (we have one of the best technical schools in the area, and the hope would be to keep those graduates in the area by providing and keeping the technical jobs for them to go to)
- Promote telecommunications competition (want investment in the community; it takes time and it can happen)
- Create a foundation to support new technology development regardless of ownership
- Create a competitive advantage for communities (fiber optics does that; global competitiveness)

Who is generally involved in planning:

- Public school systems
- Municipalities, EDA/IDA efforts
- Public safety
- Public and private colleges
- Hospitals and major employers
- Carriers and utilities (major users; public/private partnerships; they would use if available, and would maintain and support if created; grant funding?)

- Regional efforts as available (getting outside of the area is part of the goal)

Other considerations for the technology plan:

- To interconnect all municipal, educational, and healthcare entities (collaboration)
- Consider infrastructure owned and controlled by the community as a strong tool for economic and business development (make use of available resources; make the project known and form partnerships)
- The creation of services which will reduce costs and attract employment

A simple process:

- Perform infrastructure/telecommunication service analysis, identify the holes (being done by Southern Tier West)
- Perform feasibility studies on the development of a community-based infrastructure
- Identify and consolidate the community needs (get them on board)
- Identify and secure grant, institutional and other sources of funding that can help (this is key; there is not enough big business in this area to support a revenue-based model)
- Grants will be key, but they can't be the long-term answer
- Must be sustainable (it's the community that sustains the network)

Formal business plan: (A well thought out plan should be the foundation of the process. Needed for funding and to garner support of community partners and carriers.)

- Public/private partnerships
- Governance (Local Development Corporation, partnership with utility company?)
- Funding
- Operations
- Sustainability (need in order to get support)

Comments and questions:

Legislator Kruger questioned how we can implement this project if Verizon can't. Mr. Starks responded that we have the capability of getting others involved for collaboration. Verizon operates for a profit and has its shareholders, so they would need a quick return, whereby a municipality could do it on a long-term basis. Mr. Kruger remarked on the sparse population over which the cost would be spread, and Mr. Starks reiterated the long-term funding and noted that the municipal model looks at beginning with municipalities, health agencies, schools, and business, then opens it to everyone else. Mr. Kruger questioned if the reason IDAs were mentioned was the difficulty in working public/private partnerships. Mr. Starks pointed out that we'd want to keep it from being a burden to government. It has to be flexible and work in public and private, and work for everyone, and that's hard to do for government. It's best done under the governance of a Local Development Corporation (LDC). Mr. Kruger commented that it would be difficult to market this right now as a public/private endeavor in light of current economic problems and banking issues. Mr. Starks responded that the timing is right for telecommunications. The Obama administration is earmarking \$6 billion for building infrastructure in rural areas with open access telecommunications as a focus.

Legislator Dibble introduced the educational and health care institution representatives present at the meeting. Billy Foster from Jones Memorial Hospital noted that they are paying premium prices for broadband. Building and paying for infrastructure would help them to be competitive as employers. They need this. Mr. Starks noted that it doesn't help that we're so far removed; infrastructure is key. Chairman Crandall pointed out that if Verizon or a company like that went ahead with a project similar to Ontario County's, their pay-off would be different than ours would be. Ours would be the creation of jobs. Ontario County reported industry development resulting from their project, and also several smaller businesses that needed the

technology capabilities chose to stay in Ontario County. Verizon may not see the project as something they'd want to participate in because they're driven by the stock market and are not concerned with the tax base and creation of jobs like we would be. Mr. Starks commented on the cultural, quality of life issues of living in rural communities. People want to live in this type of area. Broadband access and technology are changing the way we live. The whole point he wanted to make was that our community is at a junction, and there are options in going forward. We need to recognize that technology and telecommunication is important to the community. Whether we ever build anything or not, it's important to get involved in it and keep moving forward, and whatever the community needs will shake out of that.

Legislator Pullen commented that what we would be proposing is to provide the network, and someone else, such as a utility carrier, would do "the last mile." We would save them the capital outlay for infrastructure, and they would also gain new subscribers. Mr. Starks noted that's the model we would want if we can make it work. The County wouldn't want to jump into the competition and be a provider. The best approach, if building the infrastructure, is to have the utilities come in and finish it. They can save a lot by using community-owned infrastructure at a cheaper rate and have better quality and more capacity, and in turn they invest more in increased service. The utility companies are very in tune to these models, because they can't afford both the infrastructure and the services.

Costs and logistics of running the cable were questioned. Mr. Starks noted that the standard budget number they use is \$40,000 per linear mile, but the actual cost is usually between \$32,500 and \$33,000, including the right of way on the poles. The cable is run above ground on existing poles or sometimes underground, which is more expensive. There is no difference in reliability of the above vs. below ground cabling if built correctly. A backhoe excavating in the area can break a line, and utility companies sometimes cut a line during an electrical safety issue, whereas a downed pole doesn't always cause a break. The fiber optics material is glass, but the cable is wrapped in steel strand and is strong enough to hold up a broken pole. Ring architecture is key, for example, a loop could start in Belmont, provide service around the County, and end in Belmont, giving everyone two paths out. Cabling is typically 144 strands in busier areas and 72 strands in more remote areas. The major contributor to the cost of building a system is not in the cable, but in the labor. You should put in as much as you can afford. Ontario County budgeted \$7.5 million for their project, and actually spent a little over \$6 million. It was paid for under a payment in lieu of taxes by a gas company wanting to run gas lines through the county.

Chairman Crandall asked that out of the 30 counties in the state building or considering fiber networks, what models they are using to approach this if not on a legislative level. Mr. Starks responded that every community is different: some are creating wireless service in under-served areas, some are doing fiber, and others are doing fiber but not open access. They are tracking over 600 municipalities in the nation building fiber networks, and they've seen the open access model in rural communities, Local Development Corporations, and various funding streams. Mainly urban areas are building for municipal purposes and opening it little by little to non-profits, education, and healthcare. When they eventually open it to carriers, they would switch over to an LDC as well, because it would be too much for a municipality to handle.

Mr. Pullen questioned what it would take to get started. Mr. Starks replied that we have already started and parts of the process are being done. We need to identify the needs and potential users and do a feasibility study of supporting and operating the network. We don't want it to be a taxpayer issue. When the grant dollars come in, we need to know what we're doing and have costs and impact nailed down.

Chairman Crandall asked about a general statement on the enthusiasm within higher education and healthcare entities for the community-based model. Mr. Starks noted they are

key for helping to get grant dollars. Telemedicine is very big right now, as are schools, colleges, public safety, and healthcare, and a regional approach is even better. He didn't know of any college not supporting this type of endeavor because of computer-based learning. They can't get the technology they need without this.

ECC Technologies' role in the process, other than consulting and assisting with the budget and language for the grant, can be whatever role the community needs. They are very versatile and can assist with the entire process.

Legislator Hall commented that we have hospitals, colleges, businesses, a number of entrepreneurs, and people writing grants. All of them could bring more redundancy to the County, but what isn't here is coordination. We haven't brought all these entities together to create partnerships, and we need to start developing that. We may be farther along in technology and resources, but we're behind in communicating and getting people together to develop a plan. Mr. Starks noted that Tioga County has done an excellent job in bringing people together and are on a shoestring budget, but they are pushing and getting results. Allegany County needs to do the same thing. We need to get all interested entities together and move toward a goal. The project won't be successful unless there is a team behind it. After the people are in place, there needs to be a well thought out plan.

Chairman Crandall pointed out that although there has been conversation, some information gathered, and a map and narratives put together, the process of grant funding applications has not been started, and that will require direction from the Board. Also, there are preliminary partnerships, conversations, and work that need to be done for a solid foundation, and assessment of needs and feasibility. There needs to be some kind of direction from the Board, and the Development Director is important also. The hospitals, colleges, and municipalities should all be brought together, information gathered, and an analysis of existing fiber should be done. Maybe we would be surprised to find out what's there. Southern Tier West has started the analysis. Mr. Starks noted that our mapping is done and they're waiting for the GIS overlay to be done. There is quite a bit of fiber out there. The needs assessment is also being done. Mr. Crandall asked when a company like ECC Technologies is brought in for this process. Mr. Starks replied that once the team is set up, they look at resources and try to fill the gaps. Most communities can do a lot of it themselves. What they are usually needed for is the planning process, and once that is done, just the execution remains.

Legislator Fanton asked how this project would tie in with existing broadband. Mr. Starks noted that users will request services; then providers would use our broadband infrastructure to provide the services. We're talking about providing service to areas without any. In Ontario County, nearly 40 miles of their 187-mile network is provided by carriers, which saves them that much in installation. Allegany County's map shows approximately 150 miles of cabling, so we're looking at close to \$7 million. We'll be asking for \$8 million. That's not going to "light" it for everyone, but once partners are in place and the system is built, we can identify electronics by need.

Legislator Pullen noted that the process has been explained that it's like building a thruway. Users pay a toll, and there's open access. Traffic volume increases as the economy prospers. We don't know who will use it. There is presently very little broadband available in the County. We need to move ahead to stay competitive. Maybe an ad hoc committee should be established to convene a summit of potential partners to see what the need is. Mr. Starks commented that the Elmira area is doing that. They've assembled a team to look at the issues and problems to establish a vision to move forward. That's easy to do, and you don't need an outside consultant for that. Chairman Crandall pointed out that industries and large institutions have their technical people, but we still need businesses and entities from other backgrounds. It can't be a legislative committee to drive this. We have to have the community and users

involved and people who understand the issues. Part of the assessment of resources and needs will springboard off what already exists. Maybe there will be segments where it will be a case of "if we build it, they will come," but we need more for a foundation. Mr. Starks commented that eventually we will probably collaborate with the Southern Tier West initiative for a connection out, but we still need to provide access to under-served areas within the County.

A representative from Houghton College noted that they already have fiber connection through Time Warner, but they would be interested for redundancy. If the cost is right, they would be happy to look at it. The hard part at this stage would be to come up with the financial analysis and advantages. Mr. Starks pointed out that the role of partners wouldn't be financial analysis, but to see if this concept makes sense – access to fiber and the competitive value. When we get into the business plan, we'd have to get into financial analysis. The college representative commented that broadband access would benefit the colleges for their on-line learning programs. Distribution to end users would play a big part in enabling them to expand their customer base, and getting broadband to them would probably influence their support. Mr. Starks noted that is why the public/private partnership is so important. You have to get out to the users.

Development Director John Foels made note of a meeting with Southern Tier West at the Crossroads Center on February 26. They have already had similar meetings in Chautauqua and Cattaraugus Counties. In a recent conference call, Southern Tier West listed a preliminary fiber project in their priorities for communication with the state. Their project is well underway. Mr. Starks pointed out that if they are successful, it helps us by providing a connection out and is good for everyone involved.

A representative from Alfred State College commented that their situation is unique in that they have campuses in both Alfred and Wellsville. They have fiber connectivity between the campuses through Time Warner, which is a very expensive link for them. One of their concerns is the subject of redundancy. If something happens in Alfred, both campuses are dead. Another concern is distance learning, which is increasing rapidly, with people wanting more and more from home, including full-time students picking up classes from home during off times and clients from all over the world. Broadband availability to people in their homes helps the college to provide service and the customer for access. The world is changing to digital, and people's expectations are greater. They would be interested in anything to make their service better.

A representative from Alfred University commented that their distance learning initiatives may be a little behind, but they are expanding out all over the world in an aggressive fashion, which very quickly will result in telecommunication and video conferencing needs. They will need as much broadband access for end users as possible for as inexpensively as possible. Infrastructure is needed to drive down the price through competition. Redundancy is also needed, as down time costs thousands of dollars. They are also interested in ideas about using high performance network for telepresence, high-end video conferencing. They know of a proposal with NYSTAR to build a research network out through the Southern Tier to Buffalo. Once that infrastructure is in place, there's no reason it couldn't be used for both purposes. There is a lot of potential for partnerships.

Chairman Crandall recommended the formation of an ad hoc committee to gather information and input on a County-wide broadband fiber optic project. There will be potential users at the Southern Tier West meeting mentioned earlier, and maybe an ad hoc committee could put together a County-wide summit to get input and technical direction. ***A motion was made by Legislator Pullen, seconded by Legislator Dibble and carried unanimously to authorize the appointment of an ad hoc committee.***

Chairman Crandall reported that several legislators attended the NYSAC Conference in Albany earlier in the week, and while there, they met with state leadership. The newly appointed person overseeing the stimulus process for New York, Timothy Gilchrist, met with him and Board Chairs from across the state regarding the stimulus monies and several areas this money will help to fund. Senator Schumer has put out some press releases on what's going to education, transportation, healthcare, and so on. Chairman Crandall brought back some information, which he will give to the Clerk of the Board to disseminate. One issue was the FMAP money that will go toward reducing the counties' share of Medicaid. This will be a big positive for us; it won't be long term, but will be a shot in the arm. Another issue was project monies for municipalities. The list he submitted is being forwarded to Tim Gilchrist and the Governor, but what he gathered is that the projects really have to be "shovel-ready." His understanding is that they will cull out projects that aren't. He inquired if a project held up on an agency's desk just needing to be approved or permitted would be shoved aside, and he was told they will have someone from each of the various agencies, such as DOT, DEC, and the Comptroller's Office, to help move things along.

Legislator Dibble commented that he felt our priorities should be the Court Facilities Project, Crossroads Area Infrastructure Development, and Fiber Optic Infrastructure.

Adjournment: The meeting was adjourned at 2:45 p.m. following a motion made by Legislator Hall, seconded by Legislator Russo and carried.

Respectfully submitted,
Adele Finnemore, Journal Clerk

COMMITTEE OF THE WHOLE
May 11, 2009

**** APPROVED ****

Members Present: Chairman C. Crandall, G. Benson, D. Burdick, W. Dibble, D. Fanton, W. Hall, T. Hopkins, K. Kruger, M. McCormick, D. Pullen, B. Reynolds, D. Russo, R. Truax, N. Ungermann; (*Absent: T. O'Grady*)

Guests: Manning and Napier Benefits (Denise Northrup); NOVA Healthcare Administrators (David Harris)

Call to Order: The meeting was called to order at 2:50 p.m. by Chairman Curtis W. Crandall for the purpose of presenting information on health insurance.

Health Insurance Plan Update:

Legislator David Pullen commented that it's been about three years since the Board voted to change the third party administrator that serves the County's health plan, which resulted in significant savings. This presentation was scheduled to provide an update, review, and information for possible changes in the structure of the health plan that will be available to employees. Manning and Napier Benefits Consultant Denise Northrup worked on new plan options, gathered other input, and put together some recommendations. Denise was introduced, along with David Harris, from NOVA Healthcare Administrators, who worked collaboratively on the presentation. (Handouts attached to original minutes and summarized below.)

Manning & Napier Benefits (MNB) was asked to propose new plan options because:

- Current County plan is outdated
- Many changes to medical treatments and prescription drugs (i.e. hospice currently isn't covered, but it has become more of an issue than when the plan was written)
- Still, some components of the current plan are solid
- Merge the best parts of current plan with some updates (updates in deductibles, drug coverage, and out-of-pocket maximums)

MNB worked with NOVA on medical and prescription plan options:

- Reviewed Allegany County rates
- Population
- Network utilization
- Routine services utilization
- Prescription drug data

Routine Services Utilization:

Service	Members Using Services	Charge	Paid
Adult Physicals	191	\$27,334.66	\$18,008.92
Colonoscopies	63	\$67,438.74	\$41,568.30
Mammograms	242	\$55,001.43	\$33,230.72
		\$149,774.83	\$92,807.94

Employee Census Analysis:

<u>667 Females</u>	<u>583 Males</u>
338 are over 50	295 are over 50
441 are over 40	395 are over 40

PPO Providers vs Non-PPO Providers Utilization:

	% \$	\$\$ Paid	% Providers	# Providers
PPO Providers	92%	\$3,134,095	69%	582
Non-PPO	8%	\$287,883	31%	260
Totals	100%	\$3,421,978	100%	842

Ms. Northrup reported that their evaluation shows over half of the County's health plan adult members are over 50, so the population is aging, but there is not a lot of utilization of adult physicals, colonoscopies, or mammograms. This is partially due to the fact that in the current plan, not all preventive services are covered in full; some require meeting a deductible or a copay. They are looking at ways for people to realize the value of those preventive services before health issues become a major claim and also to encourage a better quality of life. Also new over the last several years since moving to NOVA is the fact that we have a very strong network now. Currently there is no penalty for going out of network. Participants can choose to go out of network, and there is no change for them, although the County pays more. Ninety-two percent of all expenses are in network, and probably the remaining out-of-network utilization is by choice. Having that choice is fine, but since the network is so much broader now, maybe there should be a copay for out-of-network services.

Network coverage was questioned. It extends from northern Pennsylvania to Lake Ontario, or basically all of Western NY plus a little of Northern PA. Network coverage is better toward Buffalo than Rochester. It was noted that many times, people are forced to go out of network. Mr. Harris pointed out that emergency/urgent care is covered in-network anywhere, and for other specialty providers, often NOVA can contact the doctor to negotiate the service as an in-network benefit.

A detailed chart was distributed that compared plan benefits in the current plan against the current plan with optional prescription, the proposed plan with optional prescription, and the high deductible option. Ms. Northrup pointed out that they weren't proposing taking away the current plan, but the prescription drug portion needs to be updated. The current plan, depending on the union, includes a couple of different prescription copay scenarios, but not a third tier where more is paid for the more expensive drugs. Generic utilization is good, but not as good as the benchmark, and there is currently no management and no limits on prescription drugs. They are proposing a set of controls, some are safety controls, and coverage that is three tiered with copays of 3/20/40.

Recommendations:

- Current plan with updated prescription drug rider
- New medical "Option 1" with updated prescription drug rider
- High deductible Health Plan with Health Reimbursement Account

David Harris from Nova Healthcare Administrators explained the differences between the current plan and the proposal. All preventive services would be covered in full. There would be a copay for physician visits and hospitalization. The annual maximum paid by meeting the deductible and coinsurance would be \$750. In-network claims would be paid at 80 percent, and out-of-network claims at 60 percent, which is a change from the existing plan. Chiropractic care and hospice would be covered under the new proposal. Prescription copays would change, with a \$3 copay for generics, which is cheaper than the current plan, and this is where most of the utilization is. The high deductible plan would be very similar to the proposed plan with the exception that the deductible is significantly higher.

Legislator Truax expressed concern about the increased cost for retirees. Ms. Northrup explained that the main objective in proposing a change in the health plan is not to have participants pay more out-of-pocket, but the plan needs to be updated. Deductibles are low and haven't moved up with costs. The new proposal is more in step with today's world. Participants are going to pay more for some services, so we need to shift benefits to encourage preventive care before problems become large claims. Mr. Truax questioned the high copay for the third prescription tier. Ms. Northrup noted that only three percent of all drugs fall under the third tier, and many do have a generic. Mr. Truax stated that most of them don't have a generic equivalent, and \$40 is a lot of money for retirees. Ms. Northrup pointed out that the Medicare Advantage plans have the tiered system, and retirees also have the same plan. They've begun meeting with retirees to present the choice of the Medicare Advantage plans, which the County pays for. The County saves and the retirees come out of the self-funded pool. They have alternatives, and all drugs are \$5. People who have agreed to take it are happy with it. It is not a supplement, but it takes over for Medicare Parts A and B. They also get vision and dental reimbursement up to \$300 per year. Legislator Pullen noted that there is a retiree meeting on Tuesday, May 19, at Crossroads to get feedback from participants.

Ms. Northrup pointed out that premium equivalents are included in the plan review, and they were arrived at by estimating plan costs using a blending of all unions. Proposals are estimates. NOVA looked at the population and weighed services utilized in the current plan.

How the New Plan Will Work:

Scenario #1 - Inpatient Hospital:

Charge	Current Plan			Proposed Plan		
	Plan Benefit	Plan Pays	Member Responsibility	Plan Benefit	Plan Pays	Member Responsibility*
Hospital – \$10,000	100%	\$10,000	\$0	80% after deductible	\$9,250	\$750

* \$250 deductible; 20% coinsurance up to \$500 out-of-pocket maximum

Scenario #2 - Routine Services – Adult:

Charge	Current Plan			Proposed Plan		
	Plan Benefit	Plan Pays	Member Responsibility	Plan Benefit	Plan Pays	Member Responsibility
Office Visit (Annual Physical) \$130	100%	\$130	\$0	100%	\$130	\$0
Labs - \$150	\$100 @ 100%; remainder @ 80% after deductible	\$100	\$50	100%	\$150	\$0
Mammogram – \$140	100%	\$140	\$0	100%	\$140	\$0
Tetanus Shot – \$35	Not covered	\$0	\$35	100%	\$35	\$0
Flu/Pneumonia Vaccine - \$45	Not covered	\$0	\$45	100%	\$45	\$0
		Total \$370	Total \$130		Total \$500	Total \$0

Scenario #3 - Sick Visits:

Charge	Current Plan			Proposed Plan		
	Plan Benefit	Plan Pays	Member Responsibility	Plan Benefit	Plan Pays	Member Responsibility
Office Visit - \$40	80% after deductible	\$0	\$40	\$20 copay	\$20	\$20
Labs - \$110	\$100 @ 100%; remainder @ 80% after deductible	\$100	\$10	100%	\$110	\$0
EKG - \$100	100%	\$100	\$0	80% after deductible	\$100	\$0 (with deductible met on inpatient hospital charges)
		Total \$200	Total \$50		Total \$230	Total \$20

Employees will pay more for some services (i.e. inpatient hospitalizations), but less for others (i.e. preventive services).

Cost of Proposed New Plan:

A premium comparison between the current and proposed plans was done, and it showed cost savings just from changing the prescription drug part. It was noted that the proposal will have to go through union negotiations. Using a blended premium for comparison purposes for an average total of 604 participants (233 singles and 371 families), the estimated annual premium for the current plan is \$6,425,764.20; for the current plan with new prescription coverage it's \$6,091,667.52; and for the proposed medical option 1 with new prescription coverage it's \$5,720,882.40. The prepared chart also shows the estimated annual premium for non-unit personnel only at a total of 59 participants (11 singles and 48 families): for the current plan it's \$739,651.08; for the current plan with new prescription coverage it's \$692,650.68; and for the proposed medical option 1 with new prescription coverage it's \$649,703.04. People will have a choice of plans, but the chart assumes all will move to one or another.

Proposed Contribution Strategy and Plan Offerings:

Current Employees:

- Current plan with new prescription – 25 percent of premium equivalent
- Proposed Option 1 with new prescription – No contribution
- Proposed High Deductible Health Plan with HRA – No contribution and County contributes 50 percent of deductible to HRA

New Hires:

- Proposed Option 1 with new prescription – 10 percent of premium equivalent
- Current plan will not be available
- Proposed High Deductible Health Plan with HRA – No contribution and County contributes 50 percent of deductible to HRA

Pre-65 New Retirees:

- Proposed Option 1 with new prescription – only option

Post-65 New Retirees:

- Medicare Advantage Plan – only option

A motion was made by Legislator Truax, seconded by Legislator Pullen and carried to refer the health insurance information to the Personnel Committee for further action.

Referred to Personnel Committee

Adjournment: The meeting was adjourned at 3:40 p.m. following a motion made by Legislator Truax, seconded by Legislator Kruger and carried.

Respectfully submitted,
Adele Finnemore, Journal Clerk

COMMITTEE OF THE WHOLE
May 26, 2009

**** APPROVED ****

Members Present: Chairman C. Crandall, G. Benson, D. Burdick, W. Dibble, D. Fanton, T. Hopkins, K. Kruger, M. McCormick, D. Pullen, D. Russo, N. Ungermann; (*Absent: W. Hall, T. O'Grady, B. Reynolds, R. Truax*)

Guest: Dr. John Anderson, Alfred State College President

Call to Order: The meeting was called to order at 3:00 p.m. by Chairman Curtis W. Crandall.

Alfred State College President Dr. John Anderson gave a presentation on the mission and activities of the college, with a focus on their plans for the future. Dr. Anderson spoke about their strategic planning process, and he noted that their new tag line, "Hit the ground running," denotes the well-rounded educational experience Alfred State offers. They want to expand their recognition internationally. Some points of pride and plans for the future that Dr. Anderson highlighted were:

- COSA (Center for Organic and Sustainable Agripreneurship) – New concept in agriculture to achieve high yield and high profit
- New Farm Acquisition in Sonyea (Former prison farm property)
- New Capital Projects (NYS construction funds for rehab and new projects, even though cuts have been taken on the operations side)
- Center for Renewable Energy
- Commercial Wind Farm – This is a large \$50 million project; they have the investors, but are testing to see if they have enough wind
- Pioneer Farm
- Small Scale Photovoltaics
- Small Scale Biodiesel
- Small Scale Wind Turbines
- Geothermal Research and Production
- Greenhome (ARC)
- National Arboretum Project

Legislator Russo questioned the current projects and future plans at the Wellsville campus. Dr. Anderson commented on the space limitations and the need for upgrades. The Wellsville campus is owned by a private foundation, so they don't receive construction funds from the state. The new Workforce Development Building is being funded entirely by private donations. Their next project will be an auto parts store and a culinary arts restaurant, and they need to expand the auto mechanics program. Mr. Russo asked how the Wellsville campus location compared with the former Sinclair refinery site. Dr. Anderson explained that their current Administration Building is the old refinery administration building, and some of the other brick buildings were also part of the refinery. There was a retaining wall built that goes down to bedrock. Waste is pumped into ponds and treated through bio-generation to convert them naturally, and heavy metals are drained off as the ponds fill.

Legislator Ungermann asked if the property acquired in Sonyea would be used for organic vegetables. Dr. Anderson replied that it would. It is prime land and will be used as a future demo farm site. The Alfred farm (certified organic) will be utilized more for grazing research on conventional vs. organic.

Legislator McCormick asked if tuition costs will ever level out. Dr. Anderson pointed out that the State College is a bargain for tuition, which is \$4,950 per year after this year's \$600 increase. The problem is that tuition doesn't change. This was the first increase in seven years, and only the second in 13 years. The state continues to cut aid; they have received funding for negotiated salary increases, but no other inflationary costs. It's difficult to keep up, and it would be better to tie tuition to some kind of price index. Legislator Pullen asked if costs were different for in-state and out-of-state students. Dr. Anderson responded that they are the same for two-year programs, but out-of-state students pay more than double the cost for the four-year programs.

Adjournment: The meeting was adjourned at 3:50 p.m. following a motion made by Legislator Kruger, seconded by Legislator Dibble and carried.

Respectfully submitted,
Adele Finnemore, Journal Clerk

COMMITTEE OF THE WHOLE
September 14, 2009

**** APPROVED ****

Members Present: Chairman C. Crandall, G. Benson, D. Burdick, W. Dibble, D. Fanton, W. Hall, T. Hopkins, K. Kruger, M. McCormick, T. O'Grady, D. Pullen, B. Reynolds, D. Russo, N. Ungermann; (*Absent: R. Truax*)

Others Present: J. Margeson, B. Riehle

Call to Order: The meeting was called to order at 3:45 p.m. by Chairman Curtis W. Crandall for the purpose of discussing 2010 salaries for department heads and non-unit employees.

Executive Session:

A motion was made by Legislator Pullen, seconded by Legislator Hopkins and carried to enter into Executive Session to discuss the employment history of particular individuals. Following discussion, a motion was made by Legislator Pullen, seconded by Legislator Hopkins and carried to end the Executive Session and resume the regular meeting.

Adjournment: The meeting was adjourned at 4:45 p.m. following a motion made by Legislator Hopkins, seconded by Legislator Pullen and carried.

Respectfully submitted,
Brenda Rigby Riehle, Clerk of the Board

**COMMITTEE OF THE WHOLE
NOVEMBER 9, 2009**

**** APPROVED ****

Members Present: Chairman C. Crandall, G. Benson, D. Burdick, W. Dibble, D. Fanton, T. Hopkins, T. O'Grady, D. Pullen, B. Reynolds, D. Russo, N. Ungermann; (*Absent: W. Hall, K. Kruger, M. McCormick, R. Truax*)

Others Present: A. Finnemore, J. Margeson, B. Riehle, T. Ross, F. Sinclair; **Media:** B. Quinn, Wellsville Daily Reporter

Call to Order: The meeting was called to order at 10:05 a.m. by Chairman Curtis W. Crandall.

2010 Tentative County Budget:

Adjustment on Tentative Budget Summary Page:

County Treasurer Terri Ross updated the Legislators on a small adjustment made on the summary page since the Tentative Budget was released. Final assessment numbers were received from the Real Property Tax Office. The "County Taxable Assessed Value" at the bottom of the page was decreased from \$1,604,395,489 to \$1,604,163,777. This change raises the "percentage increase in tax rate" from 1.75 percent to 1.77 percent, but does not change the "increase in tax rate per thousand" (remains at 0.29) and does not change the "increase in tax levy" (remains at 6.93 percent).

Comments and Suggestions:

Legislator O'Grady stated that the County is bringing in more money through property taxes (increased assessed value), and we're tentatively using \$500,000 of the surplus. The minimal tax increase reflected in the Tentative Budget is a good thing, but costs go up each year, and we really need to look at cutting services. That's the only way to bring property taxes down. There are a lot of good programs, but it comes down to what we can afford. Legislator O'Grady made the following proposals for amendments to the 2010 Tentative Budget:

1. **Rushford Lake Beach** (A7180, page 19) – Elimination of this program would result in net savings of \$18,000 per year. Discussion included:
 - The County doesn't contribute to other community swimming facilities.
 - Town Recreation (Rushford or Caneadea) or the Lake District could run the beach.
 - It's not really a town function; it covers a wider area. A lot of people use the beach, even from outside the area, many without a lot of options for family recreation.
 - Costs are probably offset by sales tax revenue generated by people coming in to use the beach, and lifeguarding offers employment opportunities for our youth.
 - The beach is completely County-operated; if funding was eliminated, it would close.
 - The need for a state park in the County has been discussed. The beach is a small recreational area. We're trying to develop tourism, and the beach is a part of that.
 - There are not many safe, supervised swimming areas in the County.
 - The tax base around the lake deserves some recognition in County services.
 - The Lake Association puts a lot of money into dam repair. They would have no real interest in running the public swimming area.
 - The beach is the only public access for swimming at Rushford Lake.

Fred Sinclair, former Soil and Water Conservation District Director, commented that SWCD is under contract with the County to manage parks and forests, so he was involved with the beach. Busloads of children from schools all over the County come in and have access to the beach. On busy weekends, it's not unusual for hundreds of residents and non-residents to use it. It's a safe facility with lifeguards, and it provides summer employment for our youth. Rushford beach is also one of the cleaner swimming areas, as part of the fairly well-protected Rush Creek watershed. The beach is a valuable asset. Rather than eliminating the whole thing, the idea of other entities contributing to the cost could be worked on.

A motion was made by Legislator O'Grady and seconded by Legislator Ungermann to eliminate funding for A7180 Beach and Pool. The motion was defeated.

2. **Mental Health Drop-In Center** (A4313, page 12) – Partially funded, non-mandated program. Legislator O'Grady stated that the full cost for A4313 was around \$500,000 with the County share almost half of that. Discussion included:

County Treasurer Terri Ross pointed out that due to recent changes in Mental Health funding streams, some of the accounts have changed in the way they are budgeted. Account A4313, designated as "Mental Health Drop-In Center," was renamed in the Budget Detail to "Mental Health Contracts" and now also includes supported housing, community support programs, County match for Arc, transitional employment, their regular state aid program, and Allegany Rehabilitation Associates (ARA). Ms. Ross noted that the total Mental Health Budget includes expenses of \$2.79 million, and revenues from state and federal agencies total \$2.56 million. The County's net cost is \$230,000. Expenses specifically for Account A4313 total \$497,524, and are offset by revenues totaling \$417,524, leaving a net County cost of \$80,000 for that cost center. (The Drop-In Center would be one piece of that \$80,000. Mental Health Director Dr. Anderson would need to address the cost of individual programs.)

- If the County eliminated funding for the Drop-In Center, another public or private agency would probably pick it up.
- Who does the Center serve? The facility on Trapping Brook Road in Wellsville draws people from all over. The Drop-In Center doesn't serve the people in the County paying property taxes. It's a negative impact for Wellsville. A lot of money is being spent on programs without knowing exactly what they do or who they serve. If we're spending money on programs that bring an undesirable element into the County, we need to look at who is being served no matter what we're spending.
- Is there a listing of the number of people served by these programs? If the County is paying a lot of money for a program that doesn't serve a large clientele, we need to think of the cost. It needs to be justified. All these programs are wonderful, but government can't do everything for everyone.
- Questions about the programs, the cost for each, funding streams, and clientele served need to be answered.
- It was asked if the County pays salary and benefit costs for employees of the Drop-In Center. The answer was no - the County contracts through Mental Health with ARA to provide services, and ARA hires the Drop-In Center employees.

A motion was made by Legislator O'Grady to eliminate funding for the Mental Health Drop-In Center. He later withdrew the motion but stated there is a need to investigate further. Chairman Crandall noted that meetings have been scheduled for newly-elected and re-elected Legislators, and part of the purpose will be to ask particular questions about programs. Also, there have been tours of some of these programs in the past,

and given the number of new Legislators, it may be time for that again to further explain the programs so we know the actual costs.

(Account A4313 should be renamed "Mental Health Contracts" in the Budget document prepared by the Clerk of the Board's Office.)

3. **Bus Transportation** (A5630, Appropriations page 13, Revenue page 47) - Legislator O'Grady thought it was the Board's goal to reduce the County cost to 0, but it looks like appropriations increased three percent. Mr. Margeson responded that the net County cost will be 0 for 2010. Legislator Fanton expressed appreciation for the efforts of Carrie Whitwood, the Transportation Manager, and the Transportation Task Force in getting to this point. Two years ago the program was costing the County \$360,000.
4. **Economic Development** (A6430, page 15) – Legislator O'Grady questioned if the need for the additional clerical employee hired at Development was partly because Tourism was moved there for awhile as well. Mr. O'Grady was not proposing a lay-off, but with the Crossroads Project on the backburner, he proposed a decrease of \$25,000 in the total Development appropriation. There aren't a lot of areas of the Budget where we have much control, but this is one area we do. Mr. Margeson pointed out that the department is currently staffed with one and one-half clerical positions; not two.
Discussion:
 - If Tourism (located in the same office as Development) is supposed to be our salvation, why is that appropriation cut by \$23,000? Ms. Ross explained that the Tourism Budget was reworked to make it easier to track the "I Love NY" funding, and it includes the following lines: the first is the estimate of \$75,000 in "I Love NY" money, the next is the County's contribution or match for the "I Love NY" funds (those two lines are the same). That amount will probably go down, depending on the State. The next line contains the \$52,000 paid to the Chamber for the Tourism contract. The last line includes \$8,000, and is unrestricted money which was raised by selling ads, etc., to be used by Tourism as needed. Ms. Ross noted that the big change in Tourism was that the \$10,000 formerly paid to Mr. Braack to run the program was removed.
 - In trying to make the changes that are necessary to change the economic climate we're operating in, we can't cut our way out of the dilemma we're in; we're going to have to grow our way out. That doesn't mean we can't make some cuts, and we have made some in the past couple of years. We need to focus our efforts on the Office of Development and view it as an investment. It's a question of direction and whether we're moving ahead or backwards. In some cases, increased spending indicates going backwards, but not all spending is identical; some spending is for future yield. We need to be cautious about cutting Development, and overall should even be enhancing these programs to continue moving forward.
 - Cuts in any department should not be made without having department heads present to explain their budgets and what would or wouldn't occur if cuts are made.
 - The Office of Development's construction of buildings to lease back to the County is not furthering our tax base. The County would like to get something going at the Crossroads Area, but we have to have an end-user out there and have control of the property before we'll be allowed to expend any County money for the infrastructure.
 - There has been very little in the way of development, and most of it has been for businesses already here: Alstom, Dresser, and Friendship Dairies. There isn't going to be any major new development efforts here in the current economic climate.
 - There has been talk about the unemployment rate being over 12 percent, but according to Employment and Training Director Jerry Garmong, unemployment for

- the County is 7.9 percent. We can talk about things not happening here, but if the IDA was not involved, and if Dresser employees hadn't sacrificed, Dresser wouldn't be here; if Friendship Dairies hadn't had something that was working for them with the County, they wouldn't have expanded; and what Alstom did wouldn't have happened without the cooperation of the IDA and New York State. Friendship chose to close a plant in Pennsylvania, and Alstom also had a choice to go somewhere else and didn't.
- This Budget reflects that the County lost \$1 million in sales tax revenue, and it will cost an additional \$1 million for increased retirement payments. Without that \$2 million increase, the tax rate would have gone down. This is the first time we could have "grown" our way out from having to increase the tax rate. It can be done. Unfortunately, we got caught in this poor economic climate.

Legislator O'Grady made no formal motion for reducing the Development Budget, as there was no support.

5. Planning (A8020, page 21) – Total of \$81,700 budgeted. Legislator O'Grady suggested a delay in filling the Planner position for a year, or possibly combining some of the duties with the Deputy County Administrator if planning issues arise. Discussion:

- The Board collectively approved creating the Planner and Deputy County Administrator positions. Are we going to hire them, or toss back and forth with every wind of change? In business, you don't succeed if you sit idle. You have to have a plan and follow progress. Maybe you could save \$80,000 which would have a very small affect on the tax increase, but it could have a very negative effect in that you wouldn't be able to perform the tasks that you could have if the position was filled. The same goes for Development. If you spend no money, you'll get nothing in return. This is a very difficult environment, and Allegany County is a hard sell with not as much to offer as surrounding counties. If you pull funding for these areas, we'll fall back even farther, instead of holding our own in keeping our current businesses.
- The County's Comprehensive Plan is in place. There is seed money out there, and it's time we hired a Planner to facilitate some serious planning efforts.
- There's nothing in the Planner's position description about writing grants, so how would having that position bring money in? The County contracted for a study on grants development; where did that go? Mr. Margeson replied that Stuart Brown was hired to research some specific grant opportunities, but the County did not follow through on contracting with him.
- Intention of the Board in hiring a Planner? Mr. Margeson gave an update on the status of the position: a Planner should be hired, if not by the end of this year, at the end of January. If the 2010 appropriation is taken out, that will change.
- What the County accomplished with the bus transportation program and decreasing the local share by over \$300,000 is an example of planning. The County needs to be active. There are things that can be done in planning. The Comprehensive Plan laid a foundation for opportunities. We need a vision, a plan, and a course that's reasonable. Planning, grant-writing, and economic development are part of the package. We can look at areas to cut, but after all the time and investment in developing a Comprehensive Plan, this is not a good time to cut Planning or Development.

6. Contributions for Non-Government Type Events – Legislator O'Grady suggested the need to streamline County government. The Agricultural Society that runs the County Fair is one example. We need to start weaning off these contributions a little each year.

The County doesn't contribute to other festivals and events, and the County Fair is not a County government function.

Legislator O'Grady noted that although the Budget Committee reviews the Budget and the Budget Officer makes changes, these Committee of the Whole meetings to discuss the Budget are held too late in the year to have any effect. We need to look at non-government contributions, as well as mental health contracts for services and non-mandated programs. Some of them are good programs, and if we make cuts some people will be unemployed, but this is what is needed to keep taxes down.

Chairman Crandall responded that when he was first elected, there was no Budget Committee or Finance Committee to look at the Budget year-round, and the whole process was put off until this time of year. Each standing committee dealt with departmental budgets. There is a Budget Committee and a process in place year-round now, and there is an opportunity to make suggestions anytime during the year. Chairman Crandall noted that he did not schedule this meeting specifically to try to reduce the rate from 1.77. There is more to the budget process than looking at cuts. There hasn't been a tentative budget as close to this one in a long time, and if there was, it was due to poor financial planning when the fund balance was used to offset what should have been small tax increases at that time. We do have good financial planning and a good process in place now. If the Board wants to cut services, that's the choice of the Board. Mr. O'Grady gave good examples of ways to cut services, but obviously that's not the sentiment of the Board as a whole. Legislator Reynolds commented that the Budget Committee can keep some of these things in mind for next year and take the time to look into them.

County and Town Bridge Program:

Legislator Burdick questioned the reductions in the Department Head requests for Capital Projects-Roads and Bridges that were recommended by the Budget Officer (pages 32-35). The Town Highway Superintendents' Association made a presentation at the Public Works Committee, and noted that they are getting less help from the County. There is only one Town Bridge left in the 2010 Tentative Budget out of the three that were requested. The towns want more help on the Town Bridge Program. The 2010 Budget currently includes:

County Bridges:

Almond, CR 32, BR#04-28	\$457,000	Scheduled
Angelica, CR 2, BR#07-15	\$387,500	Scheduled
Alfred, CR 11, BR#11-12	\$212,000	Scheduled

Town Bridges:

New Hudson, Haskins Rd., BR#22-05	\$381,000	Removed
Grove, Goose Hollow, BR#19-02	\$410,500	Removed
Alfred, East Valley Rd., BR#01-11	\$196,000	Scheduled

Legislator Burdick suggested replacing two County bridges and two Town bridges, rather than three County and one Town, which would keep the total cost about the same. After being asked how much it would cost to add the two town bridges back in, Mr. Margeson responded that it would result in a tax increase of an additional 2.5 percent. Mr. Margeson explained that the Goose Hollow Bridge in Grove was a \$410,000 project serving only seven residences. Mr. Burdick noted that some of the hard feelings with the towns were caused because the town budgets were done before Grove was aware their bridge was cut, and Alfred thought they were cut and they didn't budget. There needs to be better communication with the towns and villages.

Legislator Ungermann noted that the Haskins Road bridge project was pulled, and that's several miles from alternate routes. There are two towns with property on each side to take care of and no way to get there without driving ten to fifteen miles.

Legislator O'Grady commented that Mr. Burdick's suggestion is just readjusting what's being done instead of raising the tax rate 2.5 percent. Instead of three County and one Town bridge, we could do two County bridges and two Town bridges. Legislator Reynolds noted that through-traffic on a County bridge is more important. The Alfred bridge connects East Valley Road. Legislator Ungermann responded that the Alfred bridge is currently posted for 8 or 10 tons, but the Haskins bridge is closed.

Legislator Burdick questioned the additional expense of \$89,725 for Friendship County Road 20. Mr. Margeson explained that it was an on-going project slated for completion in 2010.

Chairman Crandall proposed increasing the Bridge Program by \$250,000 by shifting \$150,000 from Contingent and \$100,000 from Emergency Repair Funds, but not getting into specifics on which projects it would go to. The Public Works Committee and Public Works could decide where the additional funds would go. Grove would probably be next on the list going by priority. Chairman Crandall also suggested that there may be work the Town could do to lessen the scow of the bridge and work on the approach to reduce the cost, and the other Towns may be able to find ways to reduce the costs in each of the other cases. The \$250,000 increase is a step in the right direction without increasing the Budget. Legislator Reynolds asked how much money is left in 2009 Contingent, to which Mr. Margeson replied there was about \$360,000 left; anything not used will fall to Fund Balance. Mr. Reynolds suggested taking another \$100,000 from Contingent, in addition to Chairman Crandall's proposed total of \$250,000.

Amendments to the 2010 Tentative County Budget:

Chairman Crandall proposed amendments to the 2010 Tentative County Budget that would shift funds to the Bridge Maintenance Capital Projects Accounts, but would not increase the tax rate. The actual bridge projects affected could be determined by the Public Works Committee and Department of Public Works at a later date. Chairman Crandall suggested moving \$150,000 from Contingent, \$100,000 from Fund Balance, and \$100,000 from Bridge Repair Reserve. *(Subsequent to the meeting, the County Treasurer and County Administrator/Budget Officer discovered that moving funds from Repair Reserve was going to require additional steps; therefore, they recommended taking \$200,000 from Fund Balance and eliminating the transfer from Repair Reserve.)* The amendments to the 2010 Tentative Budget, as modified, are indicated below:

A1990.429	Contingent	Decrease by \$150,000; new balance \$850,000
A15.599.00	Approp. Fund Balance	Increase by \$200,000; new balance \$700,000
A9560.904	Interfund Transfer	Increase by \$350,000; new balance \$933,322
H12.5031.5120	Interfund Revenue	Increase by \$350,000; new balance \$350,000 (NEW ACCOUNT)
H5120.200	Maintenance of Bridges	Increase by \$350,000; new balance \$350,000 (NEW ACCOUNT)

Legislator Fanton noted that Public Works Deputy Superintendent II Guy James could be scheduled for a presentation on bridges, as has been done in the past. Legislator Reynolds commented that DPW has more knowledge and information on each bridge in the County than anyone else. They have an excellent system. Legislator Hopkins suggested that the Board might have to look at which bridges should not be repaired in the future, possibly closing two or three. This would involve conversation with the towns. Legislator Fanton referred to the watershed study on bridges and run-off requirements. There are cases where culverts could be

used instead of bridges, and the County should coordinate with the towns to look at the issue realistically. Legislator Hopkins noted that if repairs on a particular bridge are running \$20,000 per year, they should be scheduled for replacement sooner. Legislator Ungermann noted that the Haskins Road Bridge could be replaced with a culvert, but the issue is what DEC will allow.

A motion was made by Chairman Crandall, seconded by Legislator Reynolds and carried to amend the 2010 Tentative County Budget by making the changes as listed above. **Prepare Resolution**

Legislator Pullen questioned if the Self-Insurance Fund (page 35) was adequately funded. Mr. Margeson responded that he felt the \$352,580 budgeted for administration of the fund was solid.

Chairman Crandall commented on the proposed 2010 Budget for Development, Planning, and Tourism, noting that he had originally planned to propose an increase. In the detailed copy of the Budget, there is a line designated as "marketing fund" that is budgeted at \$60,000. At one time that amount was \$300,000. We stepped down our efforts for Development, Planning, and Tourism. During the election, there wasn't anyone running that didn't talk about the need to increase economic development. It's difficult to define, but Tourism, Planning, and Development all go together. We need to move ahead with funding the Planner position. Chairman Crandall questions whether there are appropriate funds in this Budget to do some of the things he feels need to be done to move forward. The Crossroads Area development is important to push to get done, but there are also a lot of other things around the County to address, such as sewer and water projects, and we lack a County-wide plan to apply for grant funding to bring some of those projects together. Efforts need to be focused on bringing available funding into the County. Chairman Crandall's proposal would have been to shift money into that area of the Budget, but he decided to let that go for now. We do have Contingency and other areas of the Budget from which we can transfer funding into Development as needed as projects come along, depending on the tone of the new Board. We're short there, and we need to increase efforts in the area of development. There are some development efforts going on behind the scenes in small business and building, and we are one of the few areas in the state that has seen some increase there. The Comprehensive Plan is in place, the Comprehensive Plan Implementation Committee is in place, but the money needs to be there. Chairman Crandall felt this was a question to be addressed by the new Board. They will need to think long and hard along those lines to define economic development and move forward.

Adjournment: The meeting was adjourned at 11:45 a.m. following a motion made by Legislator Reynolds, seconded by Legislator Fanton and carried.

Respectfully submitted,
Adele Finnemore, Journal Clerk