

**ALLEGANY COUNTY BOARD OF LEGISLATORS
COMMITTEE OF THE WHOLE
January 11, 2012**

**** NOT APPROVED ****

LEGISLATORS PRESENT: Chairman C. Crandall, G. Benson, D. Burdick, D. Cady, P. Curran, D. Fanton, K. Graves, M. Healy, T. Hopkins, A. McGraw, T. O'Grady, D. Pullen, F. Sinclair, N. Ungermann; **Absent:** K. LaForge

OTHERS PRESENT: M. Alger, R. Anderson, M. Balling (LaBella), M. Burke, K. Dirlam, R. Ewell (IDA Board Member), A. Finnemore, J. Foels, C. Hedstrom, J. Hopkins, J. Margeson, T. Miner, K. Monroe, P. Reagan, B. Riehle, T. Ross, M. Schaffron (LaBella), J. Smith (Municipal Solutions), D. Spitzer (Counsel for IDA), C. Whitfield, R. Whitney

CALL TO ORDER: Chairman Curtis Crandall called the meeting to order at 2:00 p.m. and led in the Pledge of Allegiance to the Flag.

Chairman Crandall noted that the purpose of the meeting was to discuss development at the Crossroads Development Area (intersection of I-86 and SR19). He gave a brief recap on the project, beginning in the 1970s when State Route 17 (later to be designated at I-86) was constructed across the Southern Tier. There have been discussions and efforts made toward development at the intersection of that route with State Route 19, but it hasn't been viable and things weren't put into place until now. One of the reasons has to do with state legislation sponsored by former Senator Patricia McGee to free up some funds to use for development purposes. These funds were originally designated by the state for legal costs related to the County's designation as a possible site for low-level radioactive waste disposal back in the 1980s. The legislation required that use of the funds for development needed to be fairly specific, and the project designated was the Crossroads area. A Crossroads Development Advisory Committee was formed, and many people in this room served on that committee to move this forward. From there, work was done through the Industrial Development Agency and an engineering firm, and funds were spent from that initial "seed" money for preliminary engineering. Another key element that's in place is the intermunicipal agreement with the Town of Friendship for water. Now we're in a position where we're able to move forward, but there are some components that need to kick in first and questions to be answered. Is it financially possible? Can the investment be justified, and is there enough investment to pay that back? Will the taxpayers feel that the Board acted responsibly? Is it legally viable, and will we be working within Municipal Law? Then there's the political question, a question each Legislator will have to ask when we understand the financial and legal aspects.

Daniel Spitzer, Attorney for the IDA, has been working closely with County Attorney Thomas Miner, and he addressed the legal and structural aspects of the project. Mr. Spitzer referred to a study done in 2004, and what makes sense for development of the Crossroads area from a marketing point of view is the hospitality industry and related commercial activity, restaurants in particular, along with a conference center. They wanted to have as much of a solid deal as possible. They wanted to be sure they had control over specific pieces of land. They wanted to make sure they were dealing with developers with experience in raising funds for difficult projects. They want individuals who are willing to invest in the County in order to minimize the risk that the underlying agency would be taking. Properties were identified around State Route 19 and County Route 20. One was the "S" curve, identified for industrial use, possibly doing something with a local dairy. Focus is on bringing jobs and sales tax revenue into the County. The IDA has been looking at developers of hotels, most recently through the EB5 Program, which deals with investment for job creation. They've identified two subject parcels for hotel and related commercial development: the former Truck Stop and the VanDyke property behind it. The IDA negotiated on behalf of the County and obtained a signed purchase contract with the VanDykes, and there is a signed purchase

contract for the Truck Stop parcel with the developer. The total 28 acres provides a good base to build a sufficient commercial network to make this work. At one point, there was talk of both a water and sewer line. There is no sewer line presently included in the project, because it doesn't make economic sense at this point compared to an on-site sewage facility. Other potential users have been identified for the water system, and interest has already been expressed, which will provide a financial base to help pay for the line.

The County is being asked to adopt a resolution to accomplish several things: 1) To enter into a bond/purchase agreement wherein the IDA would issue a bond, and the County would purchase a bond of up to \$3.5 million. The amount is flexible, because they are hoping to get grants to help and are also trying to keep costs down, but the maximum is \$3.5 million. The contract between the County and the Town of Friendship provides for the Town of Friendship to manage the water system and provide the service, including collection services with a surcharge to cover their costs and a fee that goes to the debt service. The debt service is not paid by a tax levy, but as part of the operation and maintenance charges. The goal is to borrow that money from the County to build the system, but recognizing potential risk, the bond/purchase agreement will be carefully structured so that bids will not be released for construction and there won't be a pull-down of funds until it has been certified to the County that there are sufficient users to pay for the bond. 2) To grant an easement to the IDA for the use of County Road 20 for the waterline and future utilities such as a sewer line and electric lines. 3) Authorizing a lease to the IDA from the County of the property at the "S" curve. The lease would pay to the County 75 percent of any revenues received from developing the property, and 25 percent would go to the IDA, after bonds are paid back. The County is being asked to put up the "seed," but the IDA believes that this seed will grow significant revenue for the County and result in the development of jobs.

An overview of the financial aspects of the project was given by Jeff Smith, from Municipal Solutions. Mr. Smith noted that the ability to bring this whole project together plays on what the Legislature has done over the past eight years to bring the County to the financial position where they have the surplus fund balance to be able to extend a loan like this. The timing works on both sides. One of the problems encountered in establishing the new water district has been that for a conventional water district, especially a county water district, the amount you have to have before seeking comptroller approval is \$3 per year per user. The financing was stalled. This proposal includes the extension of a loan from the County at two percent interest, which is a little higher than a ten-year treasury yield. Right now, the County can make about .4 percent on their investment. It's a win-win situation, and this is a legitimate investment for the County. The IDA's ultimate goal is that they'll be able to find other financing sources when they have the facilities built. They will keep this project qualified for the New York State Environmental Facilities Corporation financing and any federal financing that comes along, eventually allowing them to flip this loan out so that the County isn't on the hook for the entire 30-year period. In order to get the planning and construction done, the IDA is proposing a five-year period when they'll be able to amortize the cost of the interest, if needed, and have time to bring in other funding that becomes available. This is a favorable time to go forward, because the bidding environment is so good right now. Basically, it's an authorized County investment. They made the bonds callable at any time with a 15-day notice, and they continue to work on having a structure so they can eventually take this out in long-term financing, but they need the core to build on. The goal is to get the project in the ground and get construction started. Once we get the start, people will see there's a future in the area, and hopefully more things will come.

IDA Director John Foels addressed the "pipe, project, and property" of the plan. The charge given to the IDA by the Chairman of the Board was to have all three in place prior to coming before the Legislature. As far as the project is concerned, a Rochester firm, going by Allegany Square, LLC, has a binding purchase offer with the current owner of the former Truck Stop. They're doing their due diligence now, and they expect a fast closing. The developer has said that no matter what we do with the Crossroads, that property has to be fixed or it will be a detriment to anything else we

try to do. The developer plans to level it. That's an 11-acre parcel. The developer sees their role as a travel-related project. We have the traffic and the visitors; we need fuel, convenience, fast food, lodging, and other things such as banquet facilities. They knew they could squeeze it in on the eleven acres, but wanted to be more comfortable, so Mr. Foels began negotiations for the VanDyke property, which concluded yesterday. That parcel is about 18 acres with access to County Road 20, leaving the developer area to expand. The IDA will probably be involved with more than one key developer, as others have inquired about the opportunity. The focus of the developers will be to take care of that northwest quadrant of the intersection first, because of the nature of the property. The last item is the pipe. Mike Schaffron, from LaBella, has done a great job over the years in planning this so that the IDA will have a package put together when they talk with developers. They're in position now to move forward leading to this discussion at the legislative level. They want to get this started this year. The developer wants to be in the ground by the end of the year. There's a timing issue, and developers won't stick around if there's a problem with timing. As mentioned before, there is an element of risk, and they will try to minimize that as much as they can.

Questions and Comments:

In response to a question from Legislator Cady, Mr. Foels confirmed that we're not committed to start the waterline until there's a firm contract with a developer. He estimated the upfront cost at \$600,000.

Chairman Crandall asked if the lease on that property with the developer ties up all of the property, or if another developer could be involved at the same time. Mr. Spitzer replied that it could be the latter, and he discussed preferred developer status and the possibility of several developers developing complementary facilities. There could be development all along that waterline. It's all open, but the County would have no commitments beyond the upfront cost. Chairman Crandall noted that we've concentrated on the end user, but there are good possibilities for development and needs in between from Friendship to Route 19. That's the reason for inclusion in this resolution of the lease of the "S" curve.

Legislator Cady noted that the upfront cost seems high, but if this falls through and it's put off to the future, he asked if a lot of that upfront cost would still be useful. Mr. Spitzer replied that it would. The plans would still be valid and things could be upgraded. There will be a mortgage on the pipe, so the County would end up with the waterline, and there's a similar arrangement with the VanDyke property. In terms of upfront costs that would have to be duplicated, it would only be his and Mr. Smith's fees, the legal and financial costs. Some of the interest and revenue would obviously be lost. But in terms of the physical work, a lot of things are already done, such as the water testing, archaeology approval, and the SEQR.

Legislator Pullen asked who would make the final decision on release of County dollars. Mr. Spitzer replied that the County is the dispersing agent. The key point is the requirement that the IDA must certify to the County that there are a sufficient number of users adequate to pay off the bond before the construction contract is let. Mr. Pullen asked for confirmation that if this goes to the Board and is approved there, the money isn't in play yet. There's still the ultimate sign-off, and it's up to the Treasurer to see that it meets all the requirements. Mr. Spitzer confirmed that was correct.

Chairman Crandall questioned a comment made that the bond is "callable 15 days." Mr. Smith explained that if we're successful in placing this, and what he's looking at is eventually through the Environmental Facilities Corporation's non-subsidized loan program and using their triple A bond rating, there has to be a mechanism where we can pay off these bonds. That's why the call provision was put in there. Within 15 days notice, they can contact the Treasurer and let her know they're making arrangements to go to other financing, and the County will be made whole.

County Attorney Thomas Miner advised that this bond is a little different than the County giving a bond. We have the power to tax, so when we give a bond, there's greater security that the bond holder is going to be paid. In this situation, every effort is going to be made by the IDA to try to get the best possible developers, but the risk is that even the best efforts won't be sufficient to pay that bond. Our only recourse is to go back against, not the IDA itself, but the infrastructure project assets.

Legislator Ungermann expressed concern about a future easement for a sewer line. Mr. Miner explained that this easement gives the IDA the right to do the waterline, a sewer line, and other utilities as needed.

Chairman Crandall explained the process for a resolution to be considered at the Board meeting on January 23. He and the County Attorney felt it would be best to have the resolution be sponsored by individual Legislators rather than Ways and Means. Mr. Miner distributed copies of the proposed resolution, noting that to make sure the County's interests are protected, there may need to be more refinement of documents by himself, Mr. Spitzer, and other outside counsel. Mr. Miner noted that there will be one other resolution to assign the County's rights in the agreement with the Town of Friendship to the IDA so they can exercise the County's rights related to the waterline.

Legislator Burdick asked if the bond is strictly for water supply for this area. Chairman Crandall explained that it covers some property acquisition related to that project as well, but it is specific to this project. The development property next to the Truck Stop is included. It all has to do with this water project from Friendship to State Route 19. Mr. Miner noted that the bond refers to it as the infrastructure project, but the infrastructure project is broader than simply the waterline. It's also the cost that the IDA has incurred in acquiring the property next to the Truck Stop. It's more than just putting the line in the ground, but it is limited to issues related to the infrastructure.

Legislator Cady questioned if the bond includes reimbursement of the upfront costs. Mr. Spitzer stated that it does include the upfront engineering, legal, and acquisition costs. Mr. Miner noted that the hope is that it won't cost the \$3.5 million, but that once they go to bid, it will be less, even with soft costs. Plus, they're also looking for outside sources of funding; they've already procured some, so the amount actually borrowed may be less.

Legislator Pullen remarked that plans in the past have seemed speculative, but this is much more sound and prudent. We're not the developers. The water infrastructure won't be started until the IDA certifies there's enough development to pay back putting it in. Private enterprise will be doing the rest of it. There's risk, but it's time to decide to make something happen.

A motion was made by Legislator Healy, seconded by Legislator Sinclair and carried unanimously following a roll call vote, to sponsor a resolution 1) approving the purchase of certain obligations issued by the Allegany County Industrial Development Agency to finance a certain infrastructure project for the Allegany County Industrial Development Agency, 2) authorizing the lease of a piece of County property to the Allegany County Industrial Development Agency for use in the Crossroads Project, and 3) authorizing the grant of an easement in County Route 20 from the County to the Allegany County Industrial Development Agency for water, sewer and other utility lines. The resolution will be sponsored by all Legislators listed individually. The County Attorney has prepared the resolution for consideration at the Board meeting on January 23.

ADJOURNMENT: A motion was made by Legislator Cady, seconded by Legislator Graves and carried to adjourn the meeting at 3:20 p.m.

Respectfully submitted,

Adele Finnemore, Deputy Clerk of the Board

**ALLEGANY COUNTY BOARD OF LEGISLATORS
COMMITTEE OF THE WHOLE
April 9, 2012**

**** NOT APPROVED ****

LEGISLATORS PRESENT: Chairman C. Crandall, D. Burdick, D. Cady, P. Curran, D. Fanton, K. Graves, M. Healy, T. Hopkins, K. LaForge, T. O'Grady, D. Pullen, F. Sinclair, N. Ungermann;
Absent: G. Benson, A. McGraw

OTHERS PRESENT: M. Alger, J. Margeson, T. Miner, B. Riehle

CALL TO ORDER: Chairman Curtis Crandall called the meeting to order at 3:10 p.m.

Attorney/Client Session

A motion was made by Legislator Hopkins, seconded by Legislator Pullen, and carried to enter into attorney/client session. Immediately following discussion at approximately 4 p.m., a motion was made by Legislator Graves, seconded by Legislator Cady, and carried to end the attorney/client session and return to the regular meeting.

Adjourn

There being no further business to come before the committee, the meeting was adjourned at approximately 4 p.m. following a motion by Legislator Graves, seconded by Legislator Ungermann, and carried.

Respectfully submitted,

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

**ALLEGANY COUNTY BOARD OF LEGISLATORS
COMMITTEE OF THE WHOLE
JUNE 25, 2012**

**** APPROVED ****

LEGISLATORS PRESENT: Chairman C. Crandall, D. Burdick, D. Cady, P. Curran, D. Fanton, K. Graves, M. Healy, T. Hopkins, K. LaForge, D. Pullen, F. Sinclair, N. Ungermann
(Absent: G. Benson, A. McGraw, T. O'Grady)

OTHERS PRESENT: M. Alger, A. Finnemore, J. Foels, J. Margeson, T. Miner

CALL TO ORDER: Chairman Curtis Crandall called the meeting to order at 3:08 p.m.

Executive Session

A motion was made by Legislator Fanton, seconded by Legislator Sinclair, and carried to enter into executive session at 3:08 p.m. to discuss the employment history of a particular individual. Immediately following discussion, at approximately 3:32 p.m., a motion was made by Legislator Cady, seconded by Legislator Healy, and carried to end the executive session and return to the regular meeting.

Sheriff and Undersheriff Salaries

A motion was made by Legislator Graves, seconded by Legislator Healy, and carried to recommend that the position of Undersheriff be moved from the Non-Unit Salary Plan to the Section 4 Salary Plan; the Undersheriff's salary is to be adjusted to \$61,000; and the Sheriff's salary is to be adjusted to \$67,000. **Refer to Personnel Committee**

Attorney/Client Session

A motion was made by Legislator Sinclair, seconded by Legislator Curran, and carried to enter into an attorney/client session at 3:34 p.m. Following discussion, at approximately 4:15 p.m., a motion was made by Legislator Graves, seconded by Legislator Fanton, and carried to end the attorney/client session and return to the regular meeting.

Adjournment

There being no further business to come before the committee, the meeting was adjourned at 4:15 p.m. following a motion made by Legislator Graves, seconded by Legislator Curran, and carried.

Respectfully submitted,
Adele Finnemore, Deputy Clerk of the Board
Allegany County Board of Legislators

**ALLEGANY COUNTY BOARD OF LEGISLATORS
COMMITTEE OF THE WHOLE
August 27, 2012**

**** APPROVED ****

LEGISLATORS PRESENT: Chairman C. Crandall, G. Benson, D. Burdick, D. Cady, P. Curran, D. Fanton, K. Graves, M. Healy, T. Hopkins, A. McGraw, T. O'Grady, D. Pullen, F. Sinclair, N. Ungermann; **ABSENT:** K. LaForge

OTHERS PRESENT: M. Alger, J. Margeson, B. Riehle

CALL TO ORDER: Chairman Curtis Crandall called the meeting to order at 2:50 p.m.

EXECUTIVE SESSION:

A motion was made by Legislator Hopkins, seconded by Legislator Sinclair, and carried to enter into executive session at 2:50 p.m. to discuss the employment history of particular employees within the Section IV Salary Plan. Immediately following discussion, at 3:50 p.m., a motion was made by Legislator Cady, seconded by Legislator Graves, and carried to end the executive session and return to the regular meeting.

ADJOURNMENT: A motion was made by Legislator Cady, seconded by Legislator Fanton, and carried to adjourn the meeting at 3:51 p.m.

Respectfully submitted,
Brenda Rigby Riehle, Clerk of the Board

**ALLEGANY COUNTY BOARD OF LEGISLATORS
COMMITTEE OF THE WHOLE
SEPTEMBER 10, 2012**

**** APPROVED ****

LEGISLATORS PRESENT: Chairman C. Crandall, G. Benson, D. Burdick, D. Cady, P. Curran, D. Fanton, K. Graves, M. Healy, T. Hopkins, K. LaForge, A. McGraw, T. O'Grady, D. Pullen, F. Sinclair, N. Ungermann

OTHERS PRESENT: M. Alger, J. Margeson, B. Riehle

CALL TO ORDER: Chairman Curtis Crandall called the meeting to order at 3:14 p.m.

EXECUTIVE SESSION:

A motion was made by Legislator O'Grady, seconded by Legislator Graves, and carried to enter into executive session at 3:15 p.m. to discuss the employment history of particular employees within the Section IV Salary Plan. Immediately following discussion, at 4:24 p.m., a motion was made by Legislator Cady, seconded by Legislator LaForge, and carried to end the executive session and return to the regular meeting.

SECTION IV SALARIES:

A motion was made by Legislator Fanton, seconded by Legislator Pullen, and carried requesting Clerk of the Board Brenda Rigby Riehle to notify Department Heads regarding their 2013 salaries, and giving them an opportunity to discuss those salaries with the Committee of the Whole on September 24.

ADJOURNMENT:

There being no further business to come before the committee, the meeting was adjourned at 4:25 p.m. following a motion made by Legislator Graves, seconded by Legislator Fanton, and carried.

Respectfully submitted,
Brenda Rigby Riehle, Clerk of the Board

**ALLEGANY COUNTY BOARD OF LEGISLATORS
COMMITTEE OF THE WHOLE**

SEPTEMBER 24, 2012

**** APPROVED ****

LEGISLATORS PRESENT: Chairman C. Crandall, G. Benson, D. Burdick, P. Curran, D. Fanton, K. Graves, M. Healy, T. Hopkins, K. LaForge, A. McGraw, T. O'Grady, D. Pullen, F. Sinclair, N. Ungermann (Absent: D. Cady)

OTHERS PRESENT: M. Alger, J. Margeson, B. Riehle

CALL TO ORDER: Chairman Curtis Crandall called the meeting to order at 3:10 p.m.

EXECUTIVE SESSION:

A motion was made by Legislator LaForge, seconded by Legislator Graves, and carried to enter into executive session at 3:10 p.m. to discuss the employment history of particular employees within the Section IV Salary Plan. Immediately following discussion, at 4:25 p.m., a motion was made by Legislator Graves, seconded by Legislator LaForge, and carried to end the executive session and return to the regular meeting.

SECTION IV SALARIES:

The Committee of the Whole acknowledges that the following County officers' salaries for 2013 which by reason of an increase during their respective terms of office will require a local law and requests the County Attorney to prepare the necessary resolutions:

| | |
|--------------------------------|----------|
| Public Defender | \$91,616 |
| County Treasurer | \$74,820 |
| Real Property Tax Director | \$57,717 |
| County Clerk | \$64,281 |
| County Attorney | \$96,601 |
| Public Health Director | \$71,911 |
| Social Services Commissioner | \$74,080 |
| Employment & Training Director | \$58,064 |

Prepare Resolution

ADJOURNMENT:

There being no further business to come before the committee, the meeting was adjourned at 4:26 p.m. following a motion made by Legislator Graves, seconded by Legislator Fanton, and carried.

Respectfully submitted,
Brenda Rigby Riehle, Clerk of the Board

**2013 ALLEGANY COUNTY TENTATIVE BUDGET
PUBLIC HEARING
** NOVEMBER 8, 2012 ****

**** APPROVED ****

CALL TO ORDER: The Public Hearing on the 2013 Allegany County Tentative Budget was declared open at 7:05 p.m. by Chairman Curtis W. Crandall.

PLEDGE OF ALLEGIANCE TO THE FLAG: The Pledge of Allegiance was led by Chairman Crandall.

ROLL CALL: 10 Legislators Present: Douglas Burdick, Curtis Crandall, Philip Curran, Dwight Fanton, Theodore Hopkins, Kevin LaForge, Timothy O'Grady, David Pullen, Frederick Sinclair, Norman Ungermann, Jr.; 5 Legislators Absent: Glenn Benson, Donald Cady, Karl Graves, Dwight (Mike) Healy, Aaron McGraw.

ALSO PRESENT: M. Alger, L. Ballengee, L. Edwards, A. Finnemore, V. Grant, D. Horan, G. James, J. Margeson, T. Miner, B. Riehle, T. Ross; **Media:** B. Clark, *Olean Times Herald*; B. Quinn, *Wellsville Daily Reporter*; **Members of the Public:** none.

Chairman Curtis Crandall gave a PowerPoint presentation which included information on the 2013 Tentative County Budget process. Data from the slides is shown below:

**2013 Tentative Allegany County Budget,
the Property Tax Cap,
&
Unfunded Mandates
November 8, 2012**

2013 Budget Process

On January 11, 2012, the Chairman of the Board and the Chairman of the Budget Committee hosted a meeting with all Department Heads, the County Administrator/Budget Officer, County Treasurer/Deputy Budget Officer, Budget Committee, and other key departmental financial staff.

The intention of the meeting was to start the budget process early for the purpose of preparing the 2013 Budget with sound financial stewardship and effective budget management.

2013 Tentative Budget Tax Rate

(Information on the left shows Tentative Budget data as released October 9; information on the right shows corrected data following discovery of an error in taxable assessed value)

Decrease of \$0.52 / \$1,000

Total Assessed Value: **\$1,765,201,510**
Total Appropriations: \$111,022,335
Total Revenue: \$82,142,495
Property Tax Levy: \$28,879,840
Average County Tax Rate: **\$16.36**

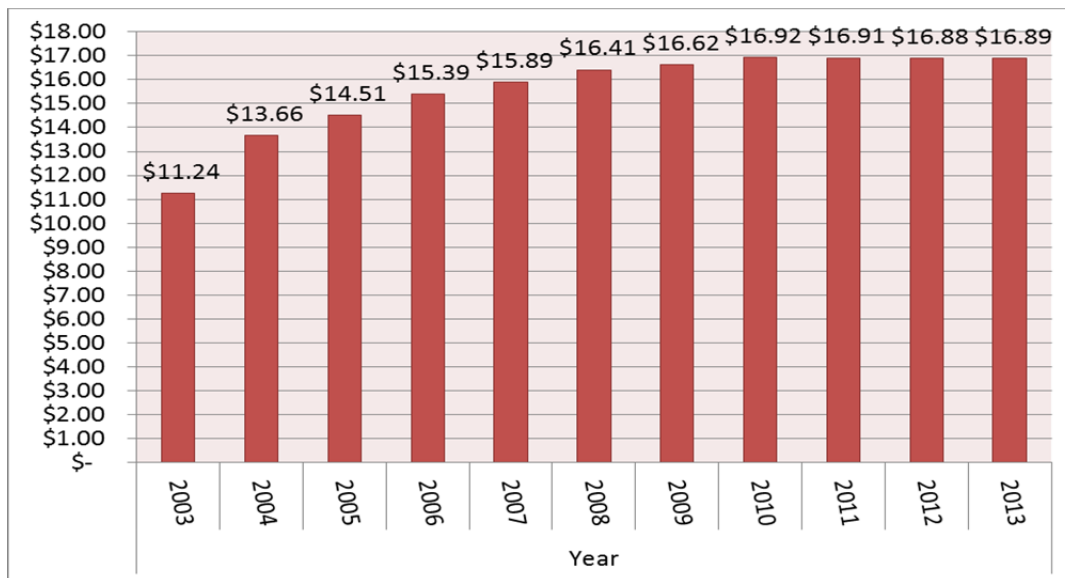
Increase of \$0.01 / \$1,000

Total Assessed Value: **\$1,709,381,188**
Total Appropriations: \$111,022,335
Total Revenue: \$82,142,495
Property Tax Levy: \$28,879,840
Average County Tax Rate: **\$16.89**

What is the Property Tax Cap?

- The property tax levy can only increase by 2 percent in a given year.
- However, certain items impact the calculation for each municipality's 2 percent cap, such as charge backs for real property services, workers' compensation, payments in lieu of taxes (PILOTs), etc...
- This means the 2013 'actual' cap allows the levy to be increased \$713,514 or 2.53 percent under the property tax cap legislation.
- The 2013 tentative budget calls for a levy increase of \$659,983 or 2.34 percent, meeting the tax cap legislation.
- The County-wide average property tax rate is increasing by 1 cent per one thousand dollars of assessed value from \$16.88 in 2012 to \$16.89 in 2013.

History of the County-wide Average Property Tax Rate



3 Year Average Property Tax Rate Change: -0.06percent or -\$ 0.01
5 Year Average Property Tax Rate Change: 0.58percent or \$ 0.10
10 Year Average Property Tax Rate Change: 4.32percent or \$ 0.57

Piggybank (Fund Balance): Then and Now

2003 (Then)

- ✓ Didn't have a piggybank
- ✓ County running a budget deficit

2013 (Now)

- ✓ Stabilized the property tax rate
- ✓ Favorable bond rating helped save over \$800,000 on Courthouse construction & renovation project
- ✓ Investing in economic development at Crossroads
- ✓ Able to comply with increasing state mandates and the property tax cap
- ✓ Avoided interest costs by paying bonds off early
- ✓ Avoided interest charges by paying the retirement incentive bill at the front end

What are Unfunded Mandates?

- State or federal programs that Allegany County must provide BY LAW – that are not completely funded by state or federal taxes.
- Programs that you and I as County taxpayers have no choice in paying.

2013 Tentative Budget

Property Tax Levy = \$28,879,840
This is the amount to be raised by taxes.
 How much of this is Mandated Programs?

Mandated Programs - The Big Ones

| Program | 2013 Expense | | 2013 Aid | | 2013 Net Cost | | % of Levy on Net |
|--------------------|-------------------|---|------------------|---|-------------------|-----------|------------------|
| Medicaid | 10,621,693 | - | 340,000 | = | 10,281,693 | or | 35.60% |
| Safety Net | 1,800,000 | - | 763,350 | = | 1,036,650 | or | 3.59% |
| Child Welfare | 3,374,999 | - | 2,827,504 | = | 547,495 | or | 1.90% |
| Special Ed / Pre-K | 1,525,100 | - | 745,000 | = | 780,100 | or | 2.70% |
| Indigent Defense | 744,515 | - | 105,651 | = | 638,864 | or | 2.21% |
| Probation | 890,876 | - | 340,943 | = | 549,933 | or | 1.90% |
| Retirement | 4,524,820 | - | - | = | 4,524,820 | or | 15.67% |
| Youth Detention | 40,000 | - | - | = | 40,000 | or | 0.14% |
| Totals | 23,522,003 | - | 5,122,448 | = | 18,399,555 | or | 63.71% |

2013 Property Tax Levy \$ 28,879,840
 2012 Property Tax Levy \$ 28,219,857

Difference \$ 659,983

Just these 8 mandated costs make up **63.71 percent** of the property tax levy, and as a whole are increasing from **\$17,855,460** in 2012 to **\$18,399,555** in 2013.

Just these highlighted 8 mandated costs **(and there's more than 8)** are increasing by **3.05 percent** from the 2012 Budget to the 2013 Budget. The property tax cap only allows for **2.53 percent** growth in the property tax levy.

This represents the structural imbalance of a 2 percent property tax cap without mandate relief.

Other Required Programs the County Funds

- Court Facility Projects
- Community Colleges
- Elections
- DSS Administration
- Sheriff
- District Attorney
- Early Intervention

More local dollars for federal and state projects means less for local projects

What This Means

- It only takes small increases in mandated programs to exceed the property tax cap.
- Allegany County is administering mandated programs that we have no control over.
- Local programs suffer in order to pay for mandated programs:
 - ✓ Roads/Bridges, Economic Development, Maintenance & Repairs, Aging, Employment & Training, E-911, Veterans' Services.

New York State and the Federal Government Need to Address and Reduce the Mandated Programs on our County Taxpayers.

Chairman Crandall provided an opportunity for any members of the public to address the Board or ask questions regarding the Budget. He then turned the meeting over to the Budget Officer.

County Administrator/Budget Officer John Margeson reported that following consultation with the County Attorney, and in light of the fact that no one from the public

appeared for the public hearing, which was advertised and convened to give said public the opportunity to speak and ask questions, the remainder of the public hearing could be dispensed with, if so desired by the Legislature. Chairman Crandall reminded everyone present that there will be a Committee of the Whole meeting on November 13 at 10 a.m. for further discussion on the Tentative Budget.

Adjournment: The Public Hearing was closed at 7:29 p.m. following a motion made by Legislator Hopkins, seconded by Legislator LaForge, and carried.

Respectfully submitted,
Adele Finnemore, Journal Clerk

**ALLEGANY COUNTY BOARD OF LEGISLATORS
COMMITTEE OF THE WHOLE
November 13, 2012**

**** APPROVED ****

LEGISLATORS PRESENT: Chairman C. Crandall, G. Benson, D. Burdick, D. Cady, P. Curran, D. Fanton, K. Graves, M. Healy, T. Hopkins, K. LaForge, A. McGraw, T. O'Grady, D. Pullen, F. Sinclair (Absent: N. Ungermann)

OTHERS PRESENT: J. Margeson, B. Riehle

CALL TO ORDER: Chairman Curtis Crandall called the meeting to order at 3:05 p.m.

EXECUTIVE SESSION:

A motion was made by Legislator Graves, seconded by Legislator Fanton, and carried to enter into executive session at 3:05 p.m. to discuss the employment history of particular employees within the Section IV and Non-Unit Salary Plans. Immediately following discussion, at 3:45 p.m., a motion was made by Legislator O'Grady, seconded by Legislator Graves, and carried to end the executive session and return to the regular meeting.

ADJOURNMENT:

There being no further business to come before the committee, the meeting was adjourned at 3:45 p.m. following a motion made by Legislator Graves, seconded by Legislator O'Grady, and carried.

Respectfully submitted,
Brenda Rigby Riehle, Clerk of the Board

**ALLEGANY COUNTY BOARD OF LEGISLATORS
COMMITTEE OF THE WHOLE
November 13, 2012**

**** APPROVED ****

LEGISLATORS PRESENT: Chairman C. Crandall, G. Benson, D. Burdick, P. Curran, D. Fanton, K. Graves, D. Healy, T. Hopkins, T. O'Grady, D. Pullen; (*Absent: D. Cady, K. LaForge, A. McGraw, F. Sinclair, N. Ungermann*)

OTHERS PRESENT: H. Budinger, R. Christman, A. Finnemore, J. Margeson, T. Miner, B. Riehle, T. Ross

CALL TO ORDER: Chairman Curtis Crandall called the meeting to order at 10:05 a.m.

2013 TENTATIVE COUNTY BUDGET REVIEW:

Chairman Crandall stated that the purpose of the meeting was to review the 2013 Tentative County Budget. Any changes to the Tentative Budget will require a resolution prior to adoption of the final Budget, which is scheduled for the Board meeting on November 26. Chairman Crandall made note of the fact that there were no members of the public present for the Budget Hearing on November 8. He referred to the PowerPoint presentation from that meeting, and commented that some of the information, including the history of the average County property tax rate, is good to have on hand when responding to questions on property taxes. Property taxes are too high, but Allegany County has done well in keeping the average tax rate increase to a little more than one-half percent over the past five years.

Legislator Burdick questioned the costs under A1490.1 (Public Works Administration, Personnel) on page 4, and why more of a decrease wasn't reflected with the elimination of one Deputy. County Administrator/Budget Officer John Margeson responded that it is down by \$52,000, the difference between the former Superintendent's salary and the salary increases, and that's not counting the savings in benefits. Mr. Burdick questioned A1990 (Contingent) on page 5. Mr. Margeson explained that the Amended Budget 2012 figure of \$488,637 was the balance at the time the Tentative Budget document was printed. There was \$750,000 to start 2012. The 2013 amount was left the same as 2012. County Treasurer/Deputy Budget Officer Terri Ross pointed out that we don't expense to the Contingent account, we just transfer out of that account to another one. Mr. Burdick also asked about A4191 (Rural Health Network) on page 11. Mr. Margeson explained that's a New York State Department of Health grant that used to flow through Jones Memorial Hospital to the Rural Health Network for staffing and operational expenses. The County took it over six or seven years ago when the hospital wanted to get out of the business of administering the grant. There's no County cost involved; it's a pass-through of grants funds. (Page 60 shows the equal amount of revenue to offset the appropriation.)

Legislator Burdick commented on the number of bridge projects for 2013. Mr. Margeson replied that one County bridge and two town bridges are budgeted: the Weidrick Road bridge in Wellsville (75 percent federal, 20 percent state, and 5 percent County funded), a town bridge in Caneadea, and a town bridge in Friendship. Initially, one County and three town bridges were planned. Mr. Margeson took the County bridge out and left the three town bridges in. When the County bridge was red-flagged shortly thereafter, Public Works Administration recommended that the Birdsall bridge be dropped and the County bridge be put back on the list, which Mr. Margeson did. Ms. Ross noted that the total of \$816,000 for the two bridges left in, outside of the federally-funded one, appear on page 32. The lump sum isn't split out into separate capital accounts until we're sure the particular bridges will remain in the budget.

Legislator Burdick asked about the \$0 amount for 2013 under A3645 (Homeland Security) on page 9. Ms. Ross explained that's grant funded, and the appropriation isn't made until the grant is received. The only time there'd be money budgeted there is if a County match were required.

Chairman Crandall questioned the \$150,000 in H5997 (Vehicle Purchase/Replacement) on page 34, and where the balance of that account shows up. Ms. Ross responded that Schedule 6 on page 78 lists all the open capital account balances as of September 30. Vehicle Replacement has a balance of \$104,838, and there may be a couple of vehicles that hadn't been paid for at the time that figure was reported. That \$104,838 would be added to the newly budgeted \$150,000. Mr. Margeson commented that we would probably use about \$80,000 in 2013 for vehicle purchases, based on Department Head requests. The Sheriff's Department, Office for the Aging, and Weights and Measures will probably come with requests. There are no specific vehicles included in the Budget. Money is allocated to this reserve, and requests are addressed as they come in. Mr. Margeson noted that his preference is to have all Department Heads make their vehicle requests at the same time. That way the Board could work from a list and make decisions based on the total and be able to prioritize. Legislator O'Grady pointed out that we want the money to go as far as possible, and we should buy the cheapest vehicle we can that does the job. Some of the vehicles being driven now are excessive for what they're needed for. Legislator Graves asked how the vehicle budget is arrived at, with uncertain purchase prices. Mr. Margeson responded that he expects Department Heads to research that prior to making a request.

Legislator Curran asked if a cost analysis was done on the cost of owning and operating a fleet of vehicles versus paying mileage. There are a lot of take-home vehicles, and some people, i.e. Director of Weights and Measures, need a work vehicle because of all the equipment they need to perform their job with. Should the County be in the fleet business? Mr. Margeson reported that the Public Health Director did a cost analysis just for her department about four months ago. She concluded that if an employee typically drives more than 8,000 miles per year on County business, it is more cost effective for us to have him use a County-owned vehicle; if the employee drives less than 8,000 miles, it is cheaper to pay them mileage. The only County-wide analysis Mr. Margeson was aware of was done in the 1980s, and at that time, the cut-off point was 12,000 miles. Mr. Curran asked about the number of Public Works trucks that are used as take-home vehicles. Mr. Margeson noted that there are about eight: road maintenance supervisors/foremen and four administrative personnel.

Legislator Curran also commented on the number of retirees that are requested to be replaced again with no thought to streamlining or cutting back. Those are long-term, high costs that should be looked at harder. It seems like it's automatic; as soon as there's a retirement, there's a replacement. One big exception was Public Works (the elimination of a Deputy Superintendent following the retirement of the Superintendent). Mr. Margeson also noted that in Social Services, only one employee took advantage of the early retirement, and they abolished two Social Welfare Examiners. The Office for the Aging Director combined four Aging Services Technicians into three. Mr. Margeson acknowledged that the request to fill vacant positions has been the trend. Some of the reason may be that Department Heads feel they are appropriately staffed and have a job to perform, so they come back looking to fill those vacancies, but it's not universal. Mr. Curran asked if we still plan to audit the bigger departments to see if they are, in fact, operating efficiently. Legislator Graves noted that Social Services is currently being worked on. Mr. O'Grady suggested doing one each year of the largest four departments. Health has already been done, Social Services is being done, then we should do the Sheriff's Office (outside audit), and Public Works. Mr. Graves questioned if the total County employment was down over the last four years. There are part-time employees and seasonal workers, but he'd like an average to see how this Legislature has performed. Mr. Margeson felt that it is, but would refer that question to Deputy County Administrator Mitchell Alger when he is available and will report back. Personnel Officer Harold (Bobby) Budinger will pull together some figures. Chairman Crandall noted that Mr. Budinger generated a report for him a couple of years ago. He'd like to see if total numbers are up or down. He's seen the

individual reductions in departments that were listed earlier and the corresponding cost reductions in the 2013 Budget. It seems that we should have a good handle on it. With the new financial software, those numbers should be easy to obtain. Ms. Ross remarked that in some of the reports she's had to generate, we're right around 486 to 515 employees on a normal basis. Chairman Crandall noted that organizational charts are included with departments' annual reports now each year. Legislator Fanton commented that a lot of personnel were added when we built the new Jail, due to mandates, the bigger operation, transporting prisoners, maintenance, etc.

Discussion was held on the Comprehensive Plan and a meeting held recently related to updating the Plan where accomplishments and successful grants were listed. It was noted that this would be a good topic for presentation at a future Committee of the Whole, possibly when the Plan update comes to the Board for approval.

Comments were made on how to quantify productivity of positions, and Legislator Pullen pointed out the difficulty in evaluating this, especially at first, as it takes time to come up to speed. This Board needs to encourage and stimulate growth in private sector employment. Mr. Pullen noted the IDA's involvement with developers at Swain, where they're looking at putting in a 28-unit upscale subdivision. That will be a real boost to the tax base and will bring people into the area.

Legislator Pullen remarked that the corrected numbers for the County's taxable assessed value show that we're looking at a .01 increase in the tax rate per thousand of assessed property value. That's actually very good, and in one sense we could leave it at that, but when you look at what it means emotionally, having the tax rate going up at all is a bummer. Mr. Pullen suggested that we try to reduce the tax rate by .02, whether by an adjustment in projected revenue or use of fund balance, to result in a (.01) tax rate decrease. It wouldn't make that big a difference in the fund balance, but the emotional impact of being able to decrease the taxes three years in a row would make a big difference. It might be a better solution to be able to reduce spending, but a budget is simply a projection of what will be collected and what will be spent. We only find out when the books are closed out at the end of the year how close we were. Legislator Graves agreed that whether the word we use is emotional or psychological, it's important to have that mindset of trying to hold the taxes at an even level. Ms. Ross noted that \$50,000 would reduce the tax rate by .02 from where it is now. Chairman Crandall pointed out that to make a move on this, we'd either have to cut expenses or raise revenues. With all the work that's been done to rework the Budget several times, the easiest, most logical way is to shift the money from the fund balance. Mr. Pullen noted that it's still a lot less than the amount of fund balance we had to use last year. Legislator Healy questioned how this move would affect our 2 percent property tax cap, if at all. Ms. Ross explained that it just reduces the tax levy from a 2.34 percent increase to a 2.16 percent increase. We were about \$50,000 under our cap; this increases it to \$100,000 under the cap. This could help us stay under the cap next year, if the \$100,000 qualifies to be rolled over.

A motion was made by Legislator Fanton, seconded by Legislator Graves, and carried unanimously, to increase Account A15.599.00 (Appropriated Fund Balance) in the 2013 Tentative County Budget from \$450,000 to \$500,000. This action results in a reduction in the Average County Tax Rate from the current \$16.895 to \$16.866, a decrease in the tax rate of (.10) percent, or (.02) reduction in the tax rate per thousand. Prepare Resolution for 11/26/12 Board meeting.

Legislator Burdick remarked that next year, he'd like to see some of the fund balance put into the Landfill Reserve to help with closure expenses. We need to start building that up. Legislator Fanton noted that there's no way to build it up enough in three years, so you'd end up financing part of it. You're going to pull \$3 million out of appropriated fund balance one way or the other. With interest rates the way they are, we're safe either way. If something doesn't change, it might be beneficial to look at borrowing, because we are losing some of our payments over the next few years. We can put money in the reserve fund, which we have done in the past, but you need to look

at what it will really cost us to do it. Maybe we could put in \$500,000 for the next three years. The closure cost will be between \$2 and \$3 million. Ms. Ross noted that there are two phases to the Landfill closure liability. One is the closure cost, and the other is the post-closure cost, so the final number could end up being much higher than quoted. Ms. Ross also spoke about the several different categories for committing or reserving fund balance. Some categories allow you to commit funds, but you're still able to pull it back out if needed. This is something that should be looked at in January. Maybe some funds could be committed without fully designating it to allow some flexibility.

ADJOURNMENT: A motion was made by Legislator Graves, seconded by Legislator Pullen, and carried to adjourn the meeting at 11:24 a.m.

Respectfully submitted,
Adele Finnemore, Deputy Clerk of the Board