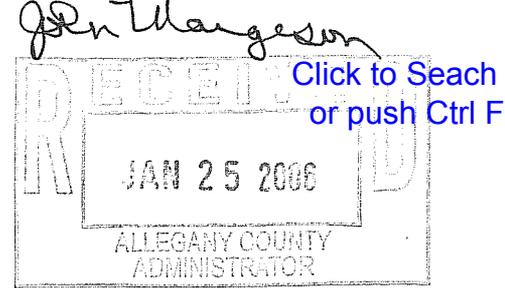


NOT
APPROVED

BUDGET COMMITTEE

January 18, 2006



Committee Members Present

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

Others Present

D. Button, W. Dibble, J. Margeson, B. Reynolds, B. Riehle, T. Ross, N. Ungermann

Purpose of Committee

Curtis Crandall, Chairman of the Board, noted that the structure of the Budget Committee will be very similar to the 2004 Finance Committee with the exception that the Budget Committee will concentrate solely on the budget, and all other financial business will be left with the Ways and Means Committee. The Budget Committee is a sub-committee of the Ways and Means Committee, and as such they will not sponsor resolutions, but make recommendations to Ways and Means.

Committee Goals

Theodore Hopkins, Chairman of the Budget Committee, distributed the following list of proposed goals for the committee to review:

1. Work with Department Heads and Allegany County Treasurer to identify budget shortfalls, and then recommend corrective action to avoid any budget deficit at the end of the 2006 calendar year.
2. Strive to maintain as much surplus funds as possible in the 2006 County budget.
3. Establish a 2007 budget calendar that allows sufficient time to avoid any "eleventh hour" decisions.
4. Develop a long-range financial plan (5 years) which would include provisions for capital purchasing, debt reduction, and workforce utilization.
5. Analyze grant applications and their impact on future budgets.

Committee members approved the list of goals and forwarded them to Ways and Means for approval.

Committee members discussed the need to build surplus funds into the budget to offset the deficit that has been created. If you use every nickel and don't have any wiggle room, you will never pay off the deficit. Terri Ross, County Treasurer, went on to explain the fund balance concept. Ms. Ross also noted that the auditors compiled a list of four items that they are recommending that the County look at, and Ms. Ross will plan to bring that list to the next meeting.

Purchasing Policy

Committee members briefly discussed the County's purchasing policies noting that all of the County's regulations regarding purchasing various items should be combined into one current purchasing policy. Brenda Rigby Riehle, Clerk of the Board, will provide copies of the County's purchasing policies/guidelines to committee members.

Legislator Norman Ungermann asked if the County experiences a flurry of activity at the end of the year with departments trying to use any unexpended funds. Ms. Ross indicated that many departments will try to purchase items they know they will need or will be using if they haven't used all of the money in their budgets.

Reports and Forms

County Treasurer Terri Ross distributed "cheat sheets" for the budget that list the funds, the major cost centers in the general fund, revenue prefix codes and appropriation sub accounts. Ms. Ross explained the various sheets and answered any questions that committee members had.

It was noted that when you are looking at overtime for a department, you need to include both compensation and premium time. Comp time can be beneficial if employees use their comp time at an appropriate time, but it can end up being quite costly if their position has to be backfilled while they are off.

Ms. Ross explained the sales tax report to committee members. The total sales tax collected including interest in 2005 was \$15,898,586.80 which was \$317,856.20 short of the projected \$16,200,000 budgeted.

Committee members reviewed a sample financial report that a department might submit showing their revenue and appropriation accounts. Ms. Ross asserted that some departments generate revenue to generate revenue, and those revenues aren't intended to just offset expenses for that department. If we continue to allow departments to spend money because they are generating certain revenues, we will never have any excess revenue to pay for general operating expenses of the County. Many offices do not generate revenue, but the services they offer contribute to the overall operation of the County, and revenues generated in other departments must be used to help offset those general operating expenses as well. Ms. Ross stated that in addition to the annual audit, we have a cost allocation done every year so that we can claim reimbursements on indirect costs.

The .8 employee benefit accounts are not usually included in financial reports from many of the departments. If a particular department does not receive federal or state aid, employee benefits are not paid from that department's accounts; they are paid under a separate category in the General Fund portion of our budget (A9010 through A9060). For 2006 we budgeted \$8,420,423 under Total General Fund Employee Benefits.

Committee members discussed how often departments should submit a financial report, and then requested John Margeson to bring a proposed reporting schedule to the next meeting.

Committee members also reviewed the *Memorandum of Explanation and Request to Fill Position* forms.

2007 Proposed Budget Schedule

John Margeson, County Administrator/Budget Officer, distributed a tentative 2007 budget schedule for committee members to review. Mr. Margeson stated that the Budget Committee will have the prerogative to make recommendations to the Ways and Means Committee to make changes to the budget. Mr. Margeson's responsibility is to release a tentative budget, and he expects to do this sometime between September 25 and October 6. The tentative budget is generally the document the Ways and Means Committee reviews and essentially they have the month of October to make changes to the budget. The tentative budget becomes available to the public by the time the date for the public hearing on the budget is set by resolution. Mr. Margeson stated that it would be very difficult to start the budget process any sooner because so many of our agencies are subject to state reimbursement that it's difficult for them to predict what their revenue will be until the state budget has been passed. Mr. Margeson noted

that the County budget must be passed by December 20, and if the legislative body fails to approve a budget by that time, the tentative budget plus any changes approved by resolution becomes the final County budget.

A motion was made by Hall, seconded by Fanton and carried approving the proposed 2007 tentative budget schedule and directing Mr. Margeson to distribute the schedule to departments.

Departmental Accountants

Committee members briefly discussed the idea of placing all accounts under the jurisdiction of the Treasurer, rather than individual departments.

Future Meetings

The next Budget Committee meeting will be on February 15 at 1:30 p.m. with Ways and Means meeting at 3:00 p.m.

Adjournment

There being no further business to come before the committee, the meeting was adjourned.

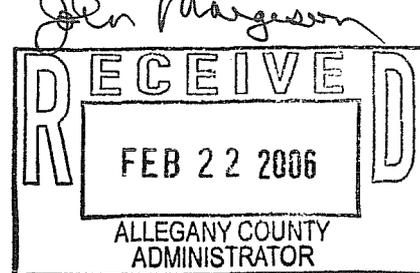
Respectfully submitted,

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

**NOT
APPROVED**

BUDGET COMMITTEE

February 15, 2006



Committee Members Present

T. Hopkins, W. Hall, K. Kruger, T. O'Grady, C. Crandall

Others Present

D. Allardice, W. Dibble, J. Margeson, B. Riehle, T. Ross

Approval of Minutes

The minutes of January 18 were approved on a motion by Hall, seconded by O'Grady and carried.

Memo to all Departments

Theodore Hopkins, Chairman of the Budget Committee, distributed a copy of his January 29 memo that was sent to all Department Heads wherein he requests that Department Heads list all proposed capital expenditures, significant revenue or expenditure increases or decreases, leases and changes in staffing over the next five years. Terri Ross, County Treasurer, has been devising a standard form so that the information submitted by each department will be similar and follow the same format.

Purchasing Policy

Mr. Hopkins stated that all committee members should have received copies of the County's purchasing policies. Mr. Hopkins noted that Section 8 of Resolution No. 105-92 stated that the provisions of the resolution shall be reviewed annually by the Board of Legislators as its organizational meeting or as soon thereafter as is reasonably practicable. After a brief discussion, a motion was made by Kruger, seconded by O'Grady and carried to request the Ways and Means Committee take Resolution No. 105-92 to the Board for their review and approval. The Budget Committee is hopeful that the full Board will refer the resolution back to them to make changes and recommendations.

Financial Consultant

Terri Ross, County Treasurer, introduced David Allardice from Allardice & Associates out of Canandaigua who is the County's financial consultant. Mr. Allardice stated that the County has about \$28 million in short-term debt which is primarily from the new Public Safety Complex. Ideally we should put those projects in serial bonds. The last few years we have had to obtain letters of credit to borrow money. If we had gone to bond market, we would have ended up paying a higher rate than we would like, and we are locked into a rate for ten years. Mr. Allardice stated that the County has made many improvements and is on the right road to improving its financial status.

Mr. Allardice distributed a four-year review of revenues, expenditures and fund balance for our General Fund noting that the County is on the right road to recovery and obtaining sound financial footing. Mr. Allardice indicated that it's hard to predict what interest rates are going to be, and where we will be with contracts, etc. Mr. Allardice recommends that the County develop a five-year plan. Our debt ratio is currently fairly low; we are at about 1/3 of our debt borrowing limit. You want to keep that figure low to

Budget Reviews

John Margeson, County Administrator, distributed a tentative schedule for first quarter budget reviews for the committee meeting on April 19. The departments currently scheduled to report at that meeting include: Social Services, Public Health, Office for the Aging, Probation, Sheriff's Office and Public Works.

Development Issues

Legislator Karl Kruger stated that he would like to discuss a few of the topics listed under the category of Development Issues created after the special meeting of the Board of Legislators on January 24. Mr. Hopkins stated that he would like to wait until after the legislators have had an opportunity to prioritize their top ten concerns for discussion at a special meeting on February 21.

Adjournment

There being no further business to come before the committee, the meeting was adjourned.

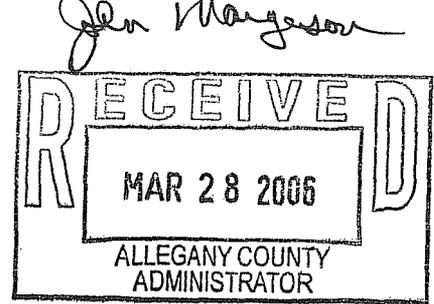
Respectfully submitted,

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

**NOT
APPROVED**

BUDGET COMMITTEE

March 22, 2006



Committee Members Present

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

Others Present

D. Horan, J. Margeson, B. Riehle, T. Ross, P. Schmelzer

Approval of Minutes

The minutes of February 22 were approved on a motion by Fanton, seconded by Hall and carried.

Medicaid Overview

Commissioner of Social Services Patricia Schmelzer and Donald Horan, Director of Administrative Services, attended the meeting to provide committee members an overview of our Medicaid program. Mrs. Schmelzer distributed an information sheet (*attached to original minutes*) and proceeded to explain the information it contained.

Mrs. Schmelzer indicated that before the Cap, Medicaid expenses were paid 50 percent with federal funds, 25 percent with state funds and the remaining 25 percent was paid by the County. In 2000 our annual Medicaid costs totaled \$6,077,572.39, in 2002 that total was \$8,216,903.20, and by 2005 that cost has risen to \$10,179,417.85.

Mrs. Schmelzer stated that estimates indicate that the Department of Social Services will experience a budget surplus of \$2,666,322 for 2005. County Treasurer Terri Ross explained that the surplus doesn't mean the revenues were "x" more than expenses, it's a budget to actual comparison. The Department of Social Services spent \$2.6 million less than authorized to spend. Mrs. Schmelzer indicated that one of the reasons such a large surplus was experienced was because DSS realized a one-time benefit of lag accrual when transitioning to the Medicaid Cap system. Due to this transition, the state did not require counties to pay for the lag factor. Medicaid is the biggest line item in the DSS as well as the entire County budget, and it was carefully budgeted to make sure we could make our payments; we couldn't afford to not budget enough.

Mrs. Schmelzer stated that the new Cap system is more simplified than the old system. The Cap is not a cap on cost, but on what increase can be pushed back to counties. All future Medicaid payments will be determined by our base year (2005). Our base will not change; the NYS DOH is still doing final calculations to make sure our base is correct, and we should have a concrete number by June 1. Right now it appears that Allegany County's base is lower than what we normally would have paid. Our Medicaid expenses will still be tracked, and we will be reimbursed if we ever have a year where we don't spend the amount we pay in. Under the Medicaid Cap, in 2006 Allegany County will pay the actual 2005 cost plus 3.5 percent. In 2007 we will pay the actual 2005 cost plus 6.75 percent (3-1/4% + 3-1/2%). In 2008 and thereafter the annual increase will be 3 percent. Mrs. Schmelzer indicated that instead of paying a weekly share, counties have the option of giving a portion of sales tax.

Mrs. Schmelzer briefly described Medicaid eligibility requirements and explained where the Medicaid dollar goes noting that over 27 percent is for drugs and supplies.

Mrs. Schmelzer also explained that the state provides incentives for counties who do things to save money; and Allegany County has been able to save money on our transportation costs.

Mrs. Schmelzer told committee members that we have two fraud investigators; we investigate recipient fraud not provider fraud. We are also involved in a pharmaceutical lawsuit that is separate from the Medicaid Cap and could result in a large settlement. This is being handled through the County Attorney's Office.

Purchasing Policy

On March 13 the Board referred Resolution No. 105-92 – *County Procurement Policies and Procedures* – to the Budget Committee for review and recommendations.

Legislator Theodore Hopkins, Chairman of the Budget Committee, stated that a memo could be sent to every department asking if they have any suggestions. Mr. Hopkins commented on 7.a. which indicates that it is not necessary to solicit for written proposals for professional services unless directed by the Board. Mr. Hopkins believes it might be better to state that the Board can waive the solicitation process for certain circumstances.

Committee members briefly discussed the bidding process noting that if we go out to bid and don't feel the low bidder is competent, it puts you in a tough position.

Legislator Karl Kruger indicated that he is disenchanted with the process that enables us to just call a few contractors for bids on projects. He said that such a process reeks of collusion, the buddy system, etc. Mr. Kruger believes that the opportunity to bid ought to be made available to any contractor that would like to submit a bid. Mr. Kruger stated that he would be angry if he was a contractor and wasn't provided the same opportunity as another contractor to bid on County projects.

A motion was made by Fanton, seconded by Hall and carried to send Resolution No. 105-92 along with all other purchasing related guidelines to the County Attorney to combine into one comprehensive policy. Committee members would like a "neater package," one resolution that encompasses any guidelines related to purchasing and/or leasing goods and services. Once the County Attorney has had the opportunity to combine all of the guidelines to his specifications, the Budget Committee would like to review it before forwarding the matter to Ways and Means to request the resolution. **Refer to County Attorney**

Staffing Report for Sheriff's Office

Committee members discussed the need to obtain a better understanding of where the overtime in the Sheriff's Office is coming from. Legislator O'Grady asked what information the Commission of Corrections bases their minimum staffing requirements on noting that many of the employees coded to the A3150 jail account do not actually work in the jail. Similarly if correction officers/deputies are going to be out on assignment, but are still counted on the jail list, we may need to hire additional people so that the positions do not have to be backfilled with someone on overtime.

Chairman Curtis Crandall stated that we need to develop a methodical approach to monitor our overtime expenses. We should be able to receive reports that will list all individual positions and assignments as well as how those positions and assignments are being covered on any given day, i.e. regular time, overtime, etc.

County Treasurer Terri Ross confirmed that our software has the ability to code different assignments when payroll is done. If an employee is coded to A3150, you should be able to assume that they have been doing some jail activity, but that does not currently appear to be the case. Mr. Hopkins indicated that he would like to see the Sheriff's Office code their payroll by assignment.

Ms. Ross indicated that overtime reports can be run by department, by county, etc., and she will see if the reports can be pulled by title. Committee members requested Ms. Ross to provide them with overtime reports by department and by positions if possible every month.

Committee members discussed how the positions of those on workers' compensation are being filled. How many overtime hours have been used to backfill for people off on workers' compensation? Mr. Margeson commented that at the special meeting of the Board of Legislators on Tuesday evening, he was asked to discuss this matter with the Sheriff. Opinions on the meaning of the wording in the union contract for filling positions for those on workers' compensation differ, and committee members would like to obtain an official interpretation of the contract.

Committee members requested Ms. Ross and Mr. Margeson to create a form that the Sheriff's Office can complete that will provide the information they have been looking for. **Refer to County Administrator and County Treasurer**

Vehicle Replacement Program

Mr. Margeson distributed copies of a memo he recently sent to Mr. Hall, Mr. Hopkins and Mr. Crandall regarding the replacement of certain County vehicles. The funds to replace some of the vehicles would come from our Vehicle Reserve Fund, and we might want to consider an installment purchase plan with Chase to finance other vehicles. Chase's interest rate is around 4 percent. Committee members will review Mr. Margeson's memo and discuss the matter at the next meeting.

Mr. Kruger indicated that he would also like to discuss parking additional vehicles in the hopes of saving more money.

Financial Statements

Ms. Ross distributed excerpts from our last Official Statement prepared for the borrowing of a \$10,731,000 BAN for the Public Safety Complex noting that the information must be updated every time the County borrows money. Ms. Ross called committee members' attention to information regarding the constitutional tax limit on page 14, and our debt limit on page 22.

Future Meetings

Committee members agreed to hold the next two Budget Committee meetings on April 26 and May 24 at 1:30 p.m. *(The first date for April was the 19th, but that has since been changed to the 26th.)*

Adjournment

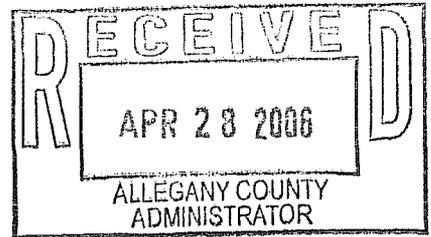
There being no further business to come before the committee, the meeting was adjourned.

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

**NOT
APPROVED**

BUDGET COMMITTEE

April 26, 2006



Committee Members Present

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

Others Present

P. Cockle, W. Dibble, D. Horan, J. Margeson, Y. Rechichi, B. Riehle, D. Roeske, T. Ross, P. Schmelzer

Approval of Minutes

The minutes of March 22, 2006 were approved on a motion by Hall, seconded by O'Grady and carried.

Social Services Financial Report

Commissioner of Social Services Patricia Schmelzer distributed first quarter financial reports to committee members noting that the revenues reflect those received for January and February.

Mrs. Schmelzer stated that under our Medical Assistance Account (A6101), our weekly Medicaid payment started at \$166,465, and at week 14 adjustments were made, and that figure went to \$172,137 per week. We should receive a final figure in June, and Mrs. Schmelzer is hopeful it will be less than the current \$172,137.

Mrs. Schmelzer also mentioned account A6109 (Dependent Children) noting that the revenues and expenses for this account can vary quite a bit depending on how many children are in foster care. Last year at this time, there were 72 children in foster care, and right now we have 95. If a child isn't eligible for federal reimbursement, state and local money supports their care. About one-third of the foster care children are not eligible for federal reimbursement, and the most common reason is because their parents' income is too high.

Mrs. Schmelzer also mentioned the Day Care and TANF accounts. Mrs. Schmelzer believes that the appropriation and revenue line items are accurate and very close to projections for the year. The huge increase in fuel prices will affect the department at the client level.

Health Department Financial Report

Public Health Director Dr. Gary Ogden stated that the Health Department spent approximately \$27,000 in fuel and maintenance on vehicles in 2005, and he expects that figure to be about one-third higher this year. Dr. Ogden indicated that many of their vehicles are old with high mileage, and maintenance costs have really been increasing.

Dr. Ogden stated that the Health Department is in good financial shape. They have expended about 20 percent of their appropriations and collected about 20 percent of their budgeted revenues. Dr. Ogden indicated that only about two months of billing for the nursing division is reflected in the revenues. It takes about three or four weeks to get all of the documentation around, and we cannot bill Medicaid or Medicare until everything is in the charts.

Dr. Ogden indicated that Health Departments were treated very kindly in the state budget, and their base grants have been augmented by \$100,000. On the negative side, we are still laboring under a 5 percent reduction in the Medicaid cap. The legislature is looking at overturning the Governor's veto on that line. Dr. Ogden indicated that legislators could contact Mr. Heaney who is the Governor's regional representative to express their thoughts on the Medicaid issue.

Public Works Department Financial Report

Public Works Superintendent David Roeske distributed copies of his financial report along with a list of all line items. Mr. Roeske stated that their biggest share of revenue (\$1.7 million) comes from CHIPS funding, and that won't come until later this year. Mr. Roeske indicated that his appropriations are right on target. Another large portion of revenue is generated from permit sales, and the majority of those are sold in November and December.

Mr. Roeske asserted that almost everything his department does is some how tied to petroleum, so their expenses are skyrocketing. Striping has gone up 52 percent from last year, and asphalt has gone up about 30 percent. Electricity has gone up 40 percent from last year, and that could present some problems. Our natural gas is bid competitively, and we went with a fixed rate for our electric. Except for the Solid Waste Division, most of our fuel is purchased off state bid; however, the state bid price is often very close to the non-taxed rate at the pumps.

Legislator Dwight Fanton, Chairman of the Public Works Committee, stated that opening up Triana Street should save a considerable amount of fuel money as the landfill trucks won't have to go around any more. Mr. Roeske stated that others will have to obtain a permit from Allegany County to run on Triana Street.

Legislator Karl Kruger asked Mr. Roeske if he had done any calculations on the cost to do our own blacktopping. Mr. Roeske stated that the way the Finance Law and CHIPS Guidelines are written, he is not able to do that. Mr. Roeske stated that money to seal roads is quite often one of the first things to get taken from the budget, and we are losing our investment by not sealing some of our roads as they will not last nearly as long. Mr. Roeske also explained that CHIPS money cannot be used on a given road more often than every 10 years. Later in the meeting Mr. Roeske returned with copies of the CHIPS Guidelines and asked legislators to stop and see him if they had any questions or concerns.

Office for the Aging Financial Reports

Office for the Aging Director Kimberley Toot distributed copies of her financial report as well as a summary of what each of her 17 grants pays for and how each grant is budgeted. Ms. Toot stated that her first quarter report is fairly typical. The federal government cannot be sent a voucher until we receive a notice of award so the revenues appear low. The 2nd quarter reports will be more in line. The Office for the Aging has currently spent about 19 percent of their appropriations.

Ms. Toot indicated that the increase in fuel costs will hit her budget hard. Last year the OFA spent \$44,611 on gas and mileage reimbursement, and this year we only budgeted \$41,600. Ms. Toot asserted that her drivers drive hundreds of miles a day, and she estimates that the line item may be over budget by \$20,000. Ms. Toot also expressed concern about losing volunteers if the IRS mileage reimbursement rate isn't increased as it was last year.

Ms. Toot briefly discussed the grants administered in her office noting that she gets together with the Office for the Aging Accountant every month to review the Excel reports and see if money needs to be moved, etc.

Ms. Toot stated that they are under budgeted in their Meal on Wheels Program, and they are having a Gala to raise money for the program, and now the increased fuel costs have really blindsided the department. OFA staff has cut back on mileage, but it isn't going to be enough to compensate for the increased costs associated with delivering meals. Ms. Toot noted that they usually deliver over 90,000 meals a year, with meal totals around 112,000 including the congregate program. The County has a four-year contract with the caterer which will expire at the end of 2007. Chairman Crandall encouraged legislators to attend the Gala which will be held on May 13.

Sales Tax Revenue

County Treasurer Terri Ross distributed copies of a sales tax report summarizing the sales tax received since the beginning of the year noting that we have received \$510,911 (11.8%) more than at this same time last year. A lot of sales tax revenue is generated from the price of fuel.

Tobacco Settlement

We have received \$789,000 in tobacco settlement money which is short of the \$850,000 budgeted; however, it is possible we could receive another payment.

Five-Year Plans

Ms. Ross distributed copies of the summary she created from the five-year plan worksheets that Department Heads submitted noting that the detail was available for anyone who would like to see it. Legislator Theodore Hopkins, Chairman of the Budget Committee, suggested that Department Heads should plan to submit 2008 and 2009 budgets with their 2007 budget requests.

Purchasing Policy

Committee members reviewed a policy created by County Attorney Guiney which combined our various resolutions and guidelines into one concise policy. After a brief discussion, a motion was made by Fanton, seconded by Hall and carried to send the policy to the Ways and Means Committee for further review and approval. **Refer to Ways and Means Committee**

Adjournment

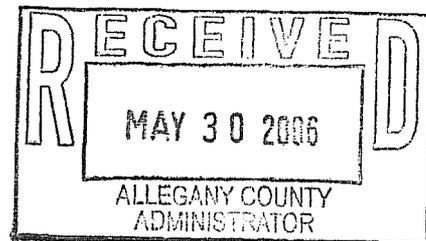
There being no further business to come before the committee, the meeting was adjourned.

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

**NOT
APPROVED**

BUDGET COMMITTEE

May 24, 2006



Committee Members Present

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

Others Present

R. Belmont, D. Guiney, J. Margeson, S. Presutti, B. Riehle, T. Ross, D. Sirianni, K. Toot

Approval of Minutes

The minutes of April 26, 2006 were approved on a motion by Hall, seconded by O'Grady and carried.

Sheriff's Office Financial Report

Sheriff Randall Belmont distributed copies of his financial report covering the period March 31, 2006 through May 24, 2006. Sheriff Belmont stated that he is most concerned about account A3170.4 (Other Correction Agencies). Housing-out expenses are paid from this account, and we are currently \$47,580 over our 2006 budgeted figure of \$60,000, and the Sheriff projects that \$215,160 will be spent this year. Mr. Belmont stated that although the number of housed-out inmates is a little lower this month, they experienced a higher than normal number of inmates being housed-out at the beginning of the year. Mr. Belmont stated that the Probation Department's Home Monitoring Program has helped keep the inmate population and the need to house-out down considerably.

It was noted that the Sheriff's revenue accounts appear to be accurate and very close to projections. The appropriation accounts are below the projected amount and will fall short by approximately \$154,436. John Margeson, Budget Officer, stated that he cut the housing-out account considerably when the Sheriff submitted his 2006 budget last year. The Sheriff believes that all additional personnel expenses for the new jail have been budgeted.

The Sheriff indicated that once the new jail has opened, it shouldn't be necessary to house-out inmates, and we will experience significant savings. Currently the Sheriff has a temporary certificate of occupancy for training purposes only. Construction cannot be finished on the new jail until some critical parts have been received from the U.P.E. (United Prison Equipment) Company.

Probation Department Financial Reports

Probation Director David Sirianni distributed copies of his financial report for the first quarter of the year noting that all accounts appear to be accurate and very close to projections. Mr. Sirianni indicated that his office plans to increase some electronic home monitoring fees, and they have also been discussing the fees for drug testing which currently break even.

County Clerk Financial Reports

County Administrator/Budget Officer John Margeson distributed first quarter financial reports for the County Clerk's Office noting that County Clerk Robert Christman had to be away from the office. The accounts appear to be accurate and very close to projections. Mr. Margeson indicated that mortgage tax

revenue is down a little, but we typically don't see as many real estate transactions in the winter months. Although 59.7 percent of the office equipment account has been expended, the equipment was purchased early in the year, and Mr. Christman will not be over budget in that account. Mr. Margeson feels comfortable that revenues will be met and appropriations will be within budgeted amounts.

Real Property Tax Department Financial Reports

Real Property Tax Director Steven Presutti distributed copies of his financial report as of April 30, 2006. Mr. Presutti stated that his accounts are accurate and very close to projections. Mr. Presutti noted that revenue for the Sales Net Fees account is received on a quarterly basis, and the first quarter payment is usually received in July. Revenue for the Star Program is received annually in November. The majority of revenue for the mapping sales is received during the summer.

Treasurer's Office Financial Reports

County Treasurer Terri Ross distributed copies of her financial report as of May 19, 2006. Ms. Ross expressed concern that Community College costs are 11 percent higher than last year at this time, and upcoming fall expenses are generally higher. It seems that more and more students are attending community colleges, and on-line instruction has increased dramatically. Even students attending high school and other colleges often take on-line courses through community colleges. Committee members agreed that this line item may need to be increased in the future. Committee members briefly discussed the accuracy of the community college charges, and Ms. Ross indicated that we receive credits for students that have dropped classes on a regular basis, and the colleges would also have to audit their figures.

The back side of Ms. Ross's financial report included general County accounts. Ms. Ross indicated that although we have expended 67 percent of our A9010-A9060 accounts, we paid \$2.3 million in February for retirement costs and we should not go over our budgeted \$3,843,923. If our retirement bill is paid in December, we would be eligible for a 10 percent discount on our bill. Ms. Ross indicated that the bill would be paid in December if possible, but that's a big chunk of money for December.

Sales tax revenue is about 11 percent higher than last year at this time. Hotel taxes are paid quarterly, and we haven't hit tourist season yet. Revenues from interest and penalties are higher and should continue to be so. All of our reserves are currently invested in CD's and are earning better interest.

Ms. Ross indicated that overall the County as a whole has expended approximately 34 percent of the budgeted appropriations and received approximately 40 percent of budgeted revenues.

County Attorney Financial Reports

County Attorney Daniel Guiney distributed copies of his financial reports as of April 30, 2006. Attorney Guiney believes that his accounts are accurate and very close to projections. Mr. Guiney projects that revenues may exceed the budgeted amount by approximately \$938. The office is currently about \$4,600 under in spending due to the way things are billed.

Replacement of County Vehicles

John Margeson, County Administrator, stated that he recently sent committee members a memo with his vehicle replacement recommendations for the next five years. In addition, Mr. Margeson made the following recommendations:

1. Individual departments should continue budgeting, on an as needed basis, for their own vehicles. Mr. Margeson believes it may be better to handle departments receiving State and Federal aid toward vehicles in this manner rather than centralizing financing for vehicle purchases.
2. Vehicles should be purchased annually by or through a central individual or agency.

Committee members expressed interest in having Mr. Margeson work with the Department of Public Works to purchase and track County vehicles. Committee members discussed the importance of allowing the flexibility to change the replacement plan as needed. Mr. Margeson commented that the plan will need to be reviewed and updated every year.

3. The Ways and Means Committee should determine the number of vehicles to be purchased every year, and that number will depend on the resources available.
4. Passenger vehicles that are purchased in 2007 and thereafter should be purchased outright and sold after two years of use with the proceeds of sale being budgeted in the Vehicle Replacement Reserve Fund.

Committee members discussed that there may be some vehicles such as police cruisers where it may not be prudent to turn over every two years, and some of the smaller vehicles may not have much value after two years.

Committee members requested Mr. Margeson to create a plan and/or procedure regarding vehicle replacement for the Budget Committee to approve and refer to the Ways and Means Committee.

Memo to Department Heads

After a brief discussion, committee members requested Legislator Theodore Hopkins, Chairman of the Budget Committee, to send a letter to all Department Heads from the committee commending them for staying within their budgets and encouraging them to hold the course.

2007 Budget Process

Mr. Margeson tentatively plans to meet with Department Heads on June 8 to get started on the 2007 budget process.

Committee members discussed requesting Department Heads to submit a budget for 2007 and 2008. After discussing the pros and cons of such a request, committee members requested Mr. Margeson to create a questionnaire for Department Heads to complete that would include listing any significant changes anticipated for their 2008 budget.

Mr. Margeson plans to have Department Heads submit their 2007 budget requests in July, and Mr. Margeson hopes to complete his recommendations by the end of July or beginning of August. Mr. Margeson will map out the month of August and suggest additional committee meetings, etc., so that the Budget Committee can begin their review of the 2007 budget.

Adjournment

There being no further business to come before the committee, the meeting was adjourned.

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

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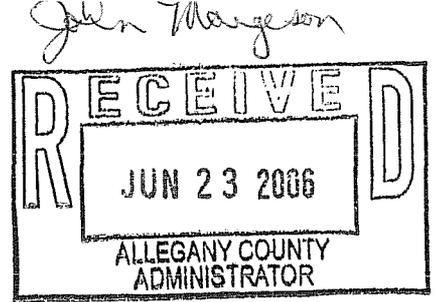
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**NOT
APPROVED**

BUDGET COMMITTEE

June 21, 2006



Committee Members Present

T. Hopkins, D. Fanton, W. Hall, K. Kruger, T. O'Grady

Others Present

M. Cole, J. Margeson, B. Riehle, T. Ross, K. Toot

Media Present

P. Jannace – Wellsville Daily Reporter

Approval of Minutes

The minutes of May 24, 2006 were approved on a motion by Kruger, seconded by Hall and carried.

Weights & Measures Gas and Oil Line Item

Committee members reviewed correspondence from Gilbert Green, Weights and Measures Director, wherein he indicated that his budget seems to be staying in line with the exception of his gas and oil line item (A6610.422). Mr. Green indicated that some of his other line items may be able to absorb the overage, but he will definitely need an increase to the gas and oil line item for 2007.

2006 Budget Review with Departments

Chairman of the Budget Committee Theodore Hopkins stated that he would like to start the process of reviewing departmental budgets again now that we are half way through the year. Mr. Hopkins requested John Margeson, County Administrator/Budget Officer, to notify departments when they should come to the Budget Committee to provide a mid-year financial report.

Proposed Procedures & Timetable – 2007 Budget

County Treasurer Terri Ross distributed copies of proposed procedures and timetable for the 2007 budget. Committee members agreed that every department head should have an opportunity to come and review their departmental budget with the committee.

Mr. Margeson stated that the County Treasurer and he would establish a schedule when department heads will report on their budgets. Mr. Margeson plans to provide committee members with a copy of each departmental budget about a week in advance so committee members can review the budgets and determine if they have any specific questions.

After a brief discussion, committee members set the following dates and times to review the 2007 budget:

Thursday, August 3: 9 a.m. to 4 p.m.

Friday, August 4: 1 p.m. to 4 p.m.

Thursday, August 10: 1 p.m. to 4 p.m.

County Treasurer Report

Ms. Ross stated that only 14 out of 62 counties in New York State capped their share of tax on fuel gas.

Ms. Ross indicated that our sales tax revenue for the year is still approximately 10 percent higher than last year at this time.

Ms. Ross also mentioned that she passed some information Brenda Rigby Riehle gave her from an Inter-County meeting regarding a municipal electric and gas alliance (MEGA) to the Public Works Department.

Adjournment

There being no further business to come before the committee, the meeting was adjourned.

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

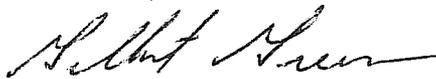
Allegany County
Department of Weights and Measures
Gilbert Green, Director
5435B County Rt.48, Belmont, NY 14813
Phone and fax - 585-268-5002
Cell – (585) 808-3518

June 06, 2006

Theodore L. Hopkins, Budget Committee Chairman

I am responding to your heads up letter of June 1, 2006. My budget seems to be staying in-line with the **exception** of my gas and oil line item A6610.422. to date I am at 60% with seven months to go. I believe I was over by about \$150 last year and had enough in other areas to cover that amount. This may be the case again this year but I will definitely need another increase for next year. I am listed in the budget under Consumer Affairs.

Thanks for your time,



Gilbert Green, Director
Dept. of Weights & Measures

PROPOSED PROCEDURES & TIMETABLE – 2007 BUDGET

By JULY 7, 2006

Department heads submit budget estimates to Budget Officer.

JULY 10 – JULY 21, 2006

Budget Officer reviews estimates with department heads.

JULY 24 – SEPTEMBER 8, 2006

Budget Officer reviews budget estimates with Budget Committee and department heads.

SEPTEMBER 29, 2006

Budget Officer files tentative budget, along with budget message, with Clerk of the Board, Ways and Means Committee (Budget Committee).

SEPTEMBER 29 – OCTOBER 13, 2006

Budget Committee files report with Clerk of the Board, and any resolutions, to amend the tentative budget.

OCTOBER 16 – NOVEMBER 3, 2006

Committee of the Whole meeting is scheduled to review budget. Department heads may be requested to attend and will be notified of any recommended changes.

OCTOBER 23, 2006

Board establishes, by resolution, date for public hearing on tentative budget. Copies of tentative budget will be available on this date for the public and media.

NOVEMBER 9, 2006

Public hearing is held on tentative budget.

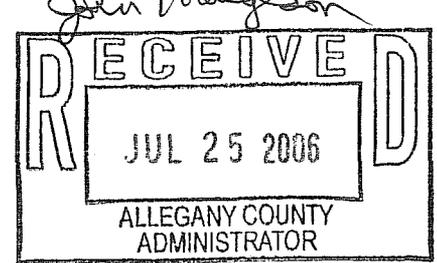
NOVEMBER 27, 2006

Board meeting – acts on any resolutions to change tentative budget and adopts final budget.

**NOT
APPROVED**

BUDGET COMMITTEE

July 19, 2006



Committee Members Present

T. Hopkins, W. Hall, K. Kruger, C. Crandall

Others Present

R. Belmont, J. Margeson, Y. Rechichi, B. Reynolds, D. Reynolds, B. Riehle, F. Sinclair, D. Sirianni, K. Toot

Media Present

P. Jannace – Wellsville Daily Reporter, M. Streeter – Olean Times Herald

Approval of Minutes

The minutes of June 21, 2006 were approved on a motion by Kruger, seconded by Hall and carried.

Public Works Financial Report

Yvonne Rechichi, Public Works Fiscal Officer, distributed copies of the Public Works budget as of July 18, 2006. Ms. Rechichi indicated that with the exception of the A1620.427 electricity account, their accounts are accurate and very close to projection. Ms. Rechichi stated that she projects that the electricity account may be over budget by \$50,000 due to rate increases. Ms. Rechichi indicated that they will be negotiating a new rate for 2007, and the department has been trying to cut back in other areas to cover the increased electricity costs. Ms. Rechichi also noted that the revenue looks distorted because CHIPS funding has not yet been claimed for this quarter.

Office for the Aging Financial Report

Office for the Aging Director Kimberley Toot distributed copies of her budget as of June 30, 2006 noting that the department has expended 44 percent of their 2006 budget and submitted vouchers for 35 percent of their anticipated revenues. They will be sending state vouchers this month and federal vouchers next month. The accounts are accurate and very close to projections; however, Ms. Toot expressed concern about the increased gasoline prices and the effect it will have on her budget. Ms. Toot hopes that they will be able to move money around to cover any shortfalls in the gasoline line item.

Ms. Toot notified committee members that they currently have a waiting list of over 90 people waiting for in-home services for the elderly. These services are available to people that have deficits in two areas. The program provides the support often needed for chronic conditions with non-medical services such as housekeeping, personal care, and the use of aides.

Legislator William Hall commented that the elderly population is going to increase, and he wondered how this might affect the Office for the Aging and the services they provide. Ms. Toot doesn't believe the needs will increase at the same ratio the population ages as people tend to be healthier and less disabled now; however, the need for services will increase. Ms. Toot stated that New York State is trying to restructure the long term care system. They have been moving toward a single point of entry for long term care so people can be assessed using one department or entity and duplication of services can

be avoided; they will streamline how people access services. They should be able to build capacity with the same amount of available money. Ms. Toot indicated that the whole system is changing and she has been working with the Health Department and Social Services to ascertain a good system for the County.

Sheriff's Office Financial Reports

Sheriff Randal Belmont distributed copies of his financial report for June 30, 2006. Sheriff Belmont indicated that the revenue accounts are below the projected amount and will fall short by approximately \$12,779. The Sheriff asserted that the amount projected for housing-in revenue will continue to go down every month they are not in the new jail. Mr. Belmont stated that appropriations will be more than the projected amount with an excess of approximately \$154,610 noting that the housing-out expenses is driving costs sky high. Mr. Belmont noted that we are currently housing out 8, but we normally house-out 15 to 20. The Sheriff stated that until he has approval to use the new facility, they will have to continue housing out, and he will not be able to absorb the budget overages within his accounts. The Sheriff indicated that he should start saving money as soon as the new jail opens – they won't have to house out, and hopefully they will be able to start housing-in. Mr. Belmont also indicated that his jail personnel account should be adequate as overtime costs should also drop once the new jail opens as most of the overtime is generated from transporting inmates. Mr. Belmont agreed that he should have a much firmer grip of expenses and revenues a month from now. Legislator Theodore Hopkins, Chairman of the Budget Committee, requested Sheriff Belmont to get together with County Treasurer Ross and County Administrator Margeson to come up with a plan to pay bills for the rest of the year.

Probation Department Financial Reports

Probation Director David Sirianni distributed copies of his financial report as of June 30, 2006. Mr. Sirianni indicated that all of his accounts are accurate and very close to projections. Mr. Sirianni has absolutely no concerns and believes his department is on target.

Legislator William Hall asked Mr. Sirianni how the different court programs impact the Probation Department budget. Mr. Sirianni indicated that one officer has assumed drug court responsibilities, and we participate in Drug Court at no cost to the County. Mr. Sirianni indicated that everyone in the Drug Court Program would be looking at a local jail or state prison sentence so the savings to the County is substantial.

Soil and Water Conservation District

Fred Sinclair, District Manager for the Soil and Water Conservation District, distributed copies of a request for a three year appropriation contract along with a resolution from the Soil and Water Conservation District.

Mr. Sinclair explained that the Soil and Water Conservation District would like to enter into a three-year contract with the County for a fixed yearly appropriation in the amount of \$100,000 per year which would include the \$10,000 contact for the management of County Agricultural Districts, parks and reforestation areas. The amount requested ends up being a \$7,000 increase with a commitment for no other increases for three years. Mr. Sinclair noted that the 2003 appropriation to the District was \$98,550, and it has been cut every year to an actual appropriation of \$83,000 for 2006.

Mr. Sinclair reviewed the many positive effects the Soil and Water Conservation District has on the natural resources and economy of the County including agriculture, storm water runoff, stream management, flood prevention, sediments and erosion control, home, business and recreational site development, wildlife habitat improvement, water supply, wellhead and public water supply protection, pollution prevention, hazard mitigation, grantsmanship and public education.

Mr. Sinclair stated that there were combined revenues of \$215,315 to the County over the past three years from the sale of forest products. The District hopes to bring \$1 million into the County over the next three years for farm project cost sharing, municipal project development and pre-disaster hazard mitigation measures.

Mr. Sinclair stated that the District has a proven track record; they have been recognized at the state level for some of their programs, and stability in the County appropriation will further enable the District to reach its goals. Forty percent of their budget is financed by the County. At the request of the committee Mr. Sinclair indicated that his annual report could be expanded to include all programs and a description of how funds are expended.

A motion was made by Kruger, seconded by Hall and carried to refer the matter to the Ways and Means Committee for final approval and resolution request. **Refer to Ways and Means**

Executive Session

A motion was made by Hall, seconded by Crandall and carried to enter into executive session to discuss the financial history of a certain corporation. (Voting No: Kruger) Immediately following the executive session, a motion was made by Hall, seconded by Kruger and carried to end the executive session and return to regular session.

Cornell Cooperative Extension

A motion was made by Hall, seconded by Kruger and carried to forgive Cornell Cooperative Extension's \$15,000 rent payment to the County. A motion was also made by Hall, seconded by Kruger and carried to amend our contract with Cornell Cooperative Extension to increase the 2006 appropriation by \$6,000 to enable them to provide the fringe benefit package for eleven contracted employees in the Health Department. **Prepare Resolution**

Review of Budgets

Mr. Margeson presented a tentative schedule for the August 3 Budget Committee meeting scheduled to begin the review of the departmental 2007 budget requests. Mr. Margeson indicated that he would provide copies of the departments' budgets to committee members so that they could begin reviewing them prior to the meeting.

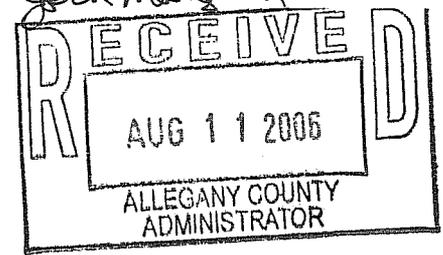
Adjournment

There being no further business to come before the committee, the meeting was adjourned.

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

**NOT
APPROVED**

**BUDGET COMMITTEE
August 3, 2006**



Members Present: T. Hopkins, D. Fanton, W. Hall, K. Kruger, T. O'Grady, C. Crandall

Others Present: J. Margeson, T. Ross, A. Finnemore, department heads as indicated below

Call to Order: The meeting was called to order by Chairman Hopkins at 9:00 a.m.

This is the first of a series of meetings scheduled by the Ways and Means Budget Sub-Committee to hear presentations by department heads regarding their proposed departmental budgets for 2007. Salary requests will be considered separately at a later date by the Committee of the Whole in executive session, so discussion was limited mainly to departmental .2 (equipment) and .4 (contractual expenses) sub-accounts. Following review and approval at this level, the working budget will be referred on to the Ways and Means Committee.

Human Resources, A1430, Budget Review (Ellen Ruckle):

Mr. Hopkins questioned whether a software program slated for purchase in 2008 should be acquired sooner in light of anticipated savings in personnel hours.

Mr. Kruger asked about the increase requested for the Personnel Officer and Ms. Ruckle responded that no increase was received in 2006. (Salaries will be considered by the Committee of the Whole.)

A motion was made by Kruger, seconded by Fanton and carried to accept the Budget Officer's recommendations for the .2 and .4 sub-accounts within the Human Resources proposed 2007 departmental budget.

County Attorney, A1420, Budget Review (Daniel Guiney):

The 2007 budget request is basically the same as last year, with increases in postage, books, and printing necessitated by price increases. The net increase is approximately \$1,400.

When questioned about salary requests for Assistant County Attorneys, Mr. Guiney responded that they are grossly underpaid and his recommendation is based on those attorneys' years of experience. He will find out if the Personnel Officer or NYSAC ever completed a survey of salaries for County Attorney personnel so comparisons can be made with other counties of comparable size with similar staff responsibilities. (Salaries will be considered by the Committee of the Whole.)

Revenue projections show an increase and are generally exceeded each year. They are derived from Social Services fees (the Social Services Department is then reimbursed by State and Federal funds) and a STOP DWI program appropriation.

A motion was made by Kruger, seconded by Fanton and carried to accept the Budget Officer's recommendations for the .2 and .4 sub-accounts within the County Attorney proposed 2007 departmental budget.

Veterans' Service Agency, A6510, Budget Review (Scott Spillane):

Revenues for this department come from State funding. Although this funding is reliable, Mr. Spillane has been unable to find additional grants. The department has brought over \$6 million into the County in the form of claims and benefits for veterans, their families, and survivors.

A motion was made by Fanton, seconded by Kruger and carried to accept the Budget Officer's recommendations for the .2 and .4 sub-accounts within the Veterans' Service Agency proposed 2007 departmental budget.

District Attorney, A1165, Budget Review (Terrence Parker):

Mr. O'Grady questioned the amount spent this year to date for expert witness fees, which is over \$6,000. There has been a large increase in that line item over the past three years. Mr. Parker pointed out that it's hard to predict what they will need to cover the cases they will prosecute the following year. It costs around \$2,500 each time they have to hire a psychologist.

Mr. Parker noted that he tried to keep most line item requests level. His request to cover the contract that includes the ACT (Accepting Change Today) Program for domestic violence referrals was cut in previous years, but he has scraped to keep it going. Statistics for the program show success: recidivism rates are lower and the program also saves jail days. Mr. Parker has budgeted \$10,000 to keep the program available, which also increases his operating budget by that amount. If this funding is pulled, the program in Allegany County will end.

Revenues show an increase of \$40,000, which are pass-through funds.

The request for the Grand Jury account, A1190, shows an increase of \$1,300; but that account has remained level for the last several years.

A motion was made by O'Grady, seconded by Fanton and carried to accept the Budget Officer's recommendations for the .2 and .4 sub-accounts within the District Attorney proposed 2007 departmental budget.

Public Defender, A1170, Budget Review (Beth Farwell):

Ms. Farwell spoke briefly about her budget line item that covers experts/mental health and family court ordered home studies. It's hard to predict what will be needed in that account. Social Services charges \$200 for each home study case, and her budget doesn't allow all the studies that should be done. The studies are very helpful in custody cases, but are rarely ordered now. It was asked if the DSS charge for home studies might be negotiable.

Mr. Kruger suggested that home study/mental health funds be trimmed down and placed in contingent with transfers made when and where needed by resolution. The money would be there but available for other uses if not needed in a particular area.

Office space availability was briefly discussed. Consolidation would save money.

Ms. Farwell noted that one place to cut back might be the policy of having jail inmates call her, as their attorney, on a collect basis. These charges are high and add up. A solution might be setting up a special phone for inmate attorney calls.

A motion was made by Fanton, seconded by Hall and carried to accept the Budget Officer's recommendations for the .2 and .4 sub-accounts within the Public Defender proposed 2007 departmental budget.

Youth Bureau, A7310, Budget Review (Deborah Aumick):

Ms. Aumick distributed handouts illustrating 2006 funding streams and anticipated allocations for 2007, which were increased only slightly. Only the administrative account was reviewed at this time, as the individual youth program accounts are developed at a later date. (Youth programs are partially funded by the State and are required to come up with their own match. No County tax dollars are involved.) The administrative account budget request showed an increase of \$200 over 2006 figures.

A motion was made by Fanton, seconded by Kruger and carried to accept the Budget Officer's recommendations for the .2 and .4 sub-accounts within the Youth Bureau proposed 2007 departmental budget (Hall abstained).

Youth Court, A7321, Budget Review (Deborah Aumick):

The Youth Court program receives no County tax dollars, but is funded by the Rural Justice Institute, grants, gifts, donations, and fund raisers. The program has a proven track record and a low recidivism rate.

A motion was made by O'Grady, seconded by Fanton and carried to accept the Budget Officer's recommendations for the .2, .4, and .8 sub-accounts within the Youth Court proposed 2007 departmental budget (Hall abstained).

STOP DWI Program, A3141, Budget Review (Deborah Aumick):

The STOP DWI Program uses no County tax dollars, but is funded entirely by local DWI fines. The funding trend from year to year remains fairly level.

A motion was made by Kruger, seconded by Hall and carried to accept the Budget Officer's recommendations for the .2, .4, and .8 sub-accounts within the STOP DWI Program proposed 2007 departmental budget (O'Grady abstained).

Employment and Training, CD1 WIA Grant Fund, Budget Review (Jerry Garmong):

Mr. Garmong distributed handouts including all categories of department expenses represented within his 2007 budget request. His department receives State and Federal funding for all but 3.7 percent of his total budget, which comes from the County by way of the Department of Social Services contribution. Their budget always runs fairly close to estimates. It was noted that the budget request shows an increase of \$23,000 over 2006, which the Budget Officer feels is a realistic figure. Funding has stayed the same for the past three years.

A motion was made by Hall, seconded by Kruger and carried to accept the Budget Officer's recommendations for the .2, .4, and .8 sub-accounts within the Employment and Training proposed 2007 departmental budget.

Fire Service, A3410, Budget Review (Paul Gallmann):

Mr. Gallmann mentioned that his account will run over budget for personnel over-time due to set up for the new dispatch center, but they can probably transfer funds within their own accounts to cover it. There is no way to estimate what will be needed in 2007 for telephone with the new system and back up; it may increase to as much as \$130,000.

A motion was made by Fanton, seconded by Hall and carried to accept the Budget Officer's recommendations for the .2 and .4 sub-accounts within the Fire Service proposed 2007 departmental budget.

Emergency Services, A3640, Budget Review (John Tucker):

Mr. Tucker noted that towers for emergency radio signal transmission are either leased or used free gratis. For the Corbin Hill Tower electric, there is some reimbursement by FEMA.

The main areas in his budget to show increases will be salaries (partially due to the lack of reimbursement from the NYS Department of Health for some personnel costs which ended in 2005) and the .447 public safety contract for the EMS program (reimbursement by the NYS DOH in the amount of \$600 for each EMS that passes).

The County cost included within the 2007 budget request for Emergency Services is very close to last year's.

A motion was made by Fanton, seconded by Hall and carried to accept the Budget Officer's recommendations for the .2 and .4 sub-accounts within the Emergency Services proposed 2007 departmental budget.

Office of Development, A6430, Budget Review (John Foels):

Mr. Foels noted the large increase in marketing and advertising (requested \$175,000, Budget Officer reduced to \$75,000). The department had been building this account, but it was cut back considerably during the past few years (down to \$8,000 for 2006). Mr. Foels is suggesting that we begin again to increase our County marketing efforts, including electronic based media, to a large variety of venues. He also mentioned the department eliminated a County vehicle this year and is requesting only a one percent department head salary increase, which follows two years with no increase. Discussion also included the marketing specialist contract and the difficulty with ascertaining cost benefits and effectiveness.

A motion was made by Fanton, seconded by O'Grady and carried to accept the Budget Officer's recommendations for the .2 and .4 sub-accounts within the Office of Development proposed 2007 departmental budget.

Planning, A8020, Budget Review (John Foels):

This budget request reflects a decrease due to the GIS mapping upgrade that is no longer needed. The Southern Tier West contract was discussed, the cost of which is a pro-rated appropriation. Benefits in County participation are many, including identification of grants, planning concerns, and projects, and can best be illustrated most recently by the re-introduction of the railroad to the area.

A motion was made by Fanton, seconded by Hall and carried to accept the Budget Officer's recommendation for the .4 sub-account within Planning proposed 2007 departmental budget.

Treasurer, A1325 etc., Budget Review (Terri Ross):

Computer equipment is in dire need of replacement (newest obtained was in 2000). Ms. Ross is presently waiting to hear on a grant award. At least one high-speed printer, used to print checks, is needed this year (present equipment was purchased in 1990 and 1989).

Sub-account .409 fluctuates due to bonding fees, etc. The County plans to permanently finance two short-term bonds within the next year. Also, tax sale property sale fees and revenue fluctuates.

Sub-account .421, which covers payments to Community Colleges, is hard to plan ahead for and generally runs over budget. Considering past history and the fact that college costs continue to increase by eight to ten percent each year, the committee is recommending increasing this line item.

A motion was made by Fanton, seconded by Hall and carried to increase the amount to be budgeted for Account A2495.421 (Contribution to Community Colleges) by \$25,000, from \$675,000 to \$700,000.

A motion was made by Fanton, seconded by Kruger and carried to accept the Budget Officer's recommendations, with the increase as noted above for Account A2495.421, for the .2 and .4 sub-accounts within the Treasurer proposed 2007 departmental budgets.

Sheriff – Jail, A3150, Budget Review (Randal Belmont):

Many costs for the new jail facility, such as utilities, will be hard to estimate for 2007.

Mr. Kruger questioned the budget request for over-time costs at \$400,000, which although it is lower than what's been used in the past (\$542,000), he thought would decrease more significantly with the construction of the new jail. Mr. Belmont responded that he has problems with unavailability of part-timers with the number he is allowed to hire. He needs a larger pool to draw from. It was also noted that the mandated number of correction officers is needed, even if the jail isn't at full capacity, due to the classification system for separation of inmates. Jail pods won't be empty very often.

Mr. Fanton asked about fuel costs and the decreased number of transports. Mr. Belmont pointed out that the department is still responsible for local transports.

Discussion was held on revenue received for housing out-of-county inmates, budgeted at \$250,000, which can only be used for debt service per Resolution No. 118-04. It was noted that these reserve funds don't appear in the budget, and are appropriated from the reserve fund for following year's debt service payments. Mr. Crandall questioned changing the resolution that allocates all housing-in revenue to debt service to allow any excess revenues to be used for other purposes.

Mr. Kruger questioned the new Assistant Jail Administrator position that is in the approval process, and was told that it is required by the Commission of Correction.

The Treasurer noted that a new account, A3152, will be established for Jail Buildings and Grounds for utilities, so those expenses can be tracked separately.

A motion was made by Hall, seconded by Fanton and carried to accept the Budget Officer's recommendations for the .2 and .4 sub-accounts within the Sheriff – Jail proposed 2007 departmental budget.

Sheriff, A3110, Budget Review (Randal Belmont):

Mr. Hopkins questioned the estimated increase in revenue for Civil, Summons, and Bail Poundage. This increase is due to increased activity in these areas.

A motion was made by Hall, seconded by O'Grady and carried to accept the Budget Officer's recommendations for the .2 and .4 sub-accounts within the Office of the Sheriff proposed 2007 departmental budget.

Sheriff – Drug Program, A3111, Budget Review (Randal Belmont):

A motion was made by Hall, seconded by Fanton and carried to accept the Budget Officer's recommendation for the .4 sub-account within the Sheriff – Drug Program proposed 2007 departmental budget.

E-911 Dispatch, A3112, Budget Review (Randal Belmont):

A motion was made by Hall, seconded by Kruger and carried to accept the Budget Officer's recommendations for the .2 and .4 sub-accounts within the E-911 Dispatch proposed 2007 departmental budget.

Other Correction Agencies, A3170, Budget Review (Randal Belmont):

A motion was made by Fanton, seconded by Hall and carried to accept the Budget Officer's recommendation for the .4 sub-account within the Other Correction Agencies proposed 2007 departmental budget.

County Historian, A7510, Budget Review (Craig Braack):

A motion was made by Kruger, seconded by O'Grady and carried to accept the Budget Officer's recommendation for the .4 sub-account within the County Historian proposed 2007 departmental budget.

County Clerk, A1410, Budget Review (Robert Christman):

Mr. Christman reported that revenues are down due to the change in interest rates and re-mortgaging is decreasing. The passport camera approved in the 2006 budget has more than paid for itself. Mr. Christman also noted the condition of some of their 200-year-old books. He has applied for a records management fund grant and also requested \$2,000 in his 2007 budget, which was reduced to \$1,500 by the Budget Officer. He stated he may need more. Mr. Christman may have to request additional funds for computer tables for equipment given to the department by the State.

A motion was made by Hall, seconded by Kruger and carried to accept the Budget Officer's recommendations for the .2 and .4 sub-accounts within the County Clerk proposed 2007 departmental budget.

Central Service Telephone, A1610, Budget Review (Deborah Button):

Revenue is derived from charge backs to departments that can get State reimbursement.

The .416 sub-account will probably end the year at \$100,000 and \$150,000 has been requested for 2007. The Sheriff phones are being transferred to the A3152 account, but cell phones are staying in the A1610 account. The T1 line charges will now be billed to the A1610 account (they were billed to A1680 before).

It was recommended that cell phone usage be monitored on a regular basis and possibly the number of cell phones be reduced.

A motion was made by Hall, seconded by O'Grady and carried to accept the Budget Officer's recommendations for the .2 and .4 sub-accounts within the Central Service Telephone proposed 2007 departmental budget.

Information Technology (Central Service Computer), A1680, Budget Review (Deborah Button):

The issue of leasing computers was discussed. Ms. Button noted that the only real advantage in the past was to allow payment over a period of time with buy-out at the end of the term. She is presently only paying around \$700 each for laptops and doesn't consider leasing as the best way to go. The department gets the most out of every computer that it possibly can. The Information Technology department requested a budget with a five percent overall increase (attributed mainly to salaries).

A motion was made by Fanton, seconded by O'Grady and carried to accept the Budget Officer's recommendations for the .2 and .4 sub-accounts within the Information Technology proposed 2007 departmental budget.

Real Property Tax (Assessments), A1355, Budget Review (Steve Presutti):

Mr. Presutti's budget request includes the purchase of a new plotter. A maintenance contract was negotiated on the new plotter and the present equipment for a three-year period saving about \$1,100.

The State licensing fee has increased 46 percent for the assessment system.

The department's two large printers, used to print taxes, rolls, and bills, were purchased in 1992 and 1994 and will eventually need to be replaced. Information Technology holds the maintenance agreement on those. Department staff utilizes other equipment whenever possible to cut down on over-time during busy times of the year.

Mr. Presutti noted that he has re-applied for a grant for GIS assessment information for public access via computer.

Revenues will be close to projections.

A motion was made by Fanton, seconded by Hall and carried to accept the Budget Officer's recommendation for the .4 sub-account within the Real Property Tax proposed 2007 departmental budget.

Public Works, Budget Review (David Roeske):

A1490 Administration:

A motion was made by Hall, seconded by Fanton and carried to accept the Budget Officer's recommendations for the .2 and .4 sub-accounts within the Public Works Administration proposed 2007 departmental budget.

A1620 Buildings & Grounds:

The department's budget request included funds for a lawnmower, but was cut by the Budget Officer so will be put off for another year. The .412 (Repairs) account was also cut by the Budget Officer and originally included repairs on the Courthouse front stairs, front parking lot and retaining wall, and the jail recreation yard floor (over some of the second floor offices). There are no funds budgeted for renovations of the old jail or sheriff office areas.

A motion was made by Fanton, seconded by Hall and carried to accept the Budget Officer's recommendations for the .2 and .4 sub-accounts within the Buildings & Grounds proposed 2007 departmental budget.

A8160 Solid Waste:

There are no new funds budgeted to reserve for landfill closure. When the next three cells are closed, funds will have to be bonded. There is presently \$2.133 million in reserve; it will cost approximately \$6 million to close three cells. State aid contributed 50 percent of closure costs the last time cells were closed. In the past, the County set aside \$10 per ton in reserve, then reduced it to \$5, then cut it entirely for the last several years. Planning for the next closure will probably begin next year.

A motion was made by Hall, seconded by Fanton and carried to accept the Budget Officer's recommendations for the .2 and .4 sub-accounts within the Solid Waste proposed 2007 departmental budget.

D3310 County Road – Traffic Control:

Road Striping, .465 sub-account: All County roads have at least a center line, and the heaviest traveled roads also have edge lines. Over the past six years prices have nearly doubled, but the budget for that account has decreased by \$10,000 from \$130,000 to \$120,000. The lines only last about one year. The department will have to cut most of the edge line.

A motion was made by Hall, seconded by Hopkins and carried to accept the Budget Officer's recommendations for the .2 and .4 sub-accounts within the County Road – Traffic Control proposed 2007 departmental budget.

D5020 County Road – Engineering:

The budget request includes \$10,000 to replace the department's Xerox large format copier. Present equipment is 20 years old and it is getting difficult to get parts for it.

A motion was made by Hall, seconded by Hopkins and carried to accept the Budget Officer's recommendations for the .2 and .4 sub-accounts within the County Road – Engineering proposed 2007 departmental budget.

D5110 County Road – Maintenance Roads & Bridges:

Mr. Roeske addressed the issue of cutting \$300,000 from the account used for sealing road surfaces. Sealing was done only one year out of the last six years. CHIPS funds can only be used to pave every ten years, and the roads should be sealed at least once during that ten year period.

Mr. Fanton stated that over the last five years, the Public Works budget has continually been cut to pay for Medicaid or Retirement or Health Insurance increases. He would like to see money put back in (suggested \$200,000), especially for road maintenance.

A motion was made by Fanton, seconded by Hall and carried to increase Account D5110.408 by \$200,000, changing the Budget Officer Recommendation figure from \$650,000 to \$850,000.

Mr. Kruger noted he would like to see as much as possible of the contracted work performed by the County's own work force to save money. Mr. Roeske pointed out that CHIPS regulations require us to request bids for paving.

A motion was made by Hall, seconded by Kruger and carried to accept the Budget Officer's recommendations, including the addition as noted above, for the .2 and .4 sub-accounts within the County Road – Maintenance Roads & Bridges proposed 2007 departmental budget.

D5112 County Road – Road Construction:

This account contains CHIPS funding. Revenue estimates were increased due to past history.

A motion was made by Hall, seconded by Fanton and carried to accept the Budget Officer's recommendation for the .2 sub-account within the County Road – Road Construction proposed 2007 departmental budget.

D5142 County Road – Snow Removal:

A motion was made by Hall, seconded by Fanton and carried to accept the Budget Officer's recommendation for the .4 sub-account within the County Road – Snow Removal proposed 2007 departmental budget.

DM5130 Road Machinery:

The department's budget request included funds for purchase of equipment that was listed on their five-year plan. Funds were removed by the Budget Officer.

A motion was made by Hall, seconded by O'Grady and carried to accept the Budget Officer's recommendations for the .2 and .4 sub-accounts within the Road Machinery proposed 2007 departmental budget.

County Administrator, A1011, Budget Review (John Margeson):

The department's budget request showed an increase of only \$100 over 2006, not including salary accounts.

A motion was made by Hall, seconded by Hopkins and carried to accept the Budget Officer's recommendations for the .2 and .4 sub-accounts within the County Administrator's proposed 2007 departmental budget.

Beach & Pool, A7180, Budget Review (John Margeson):

This account covers the Rushford Lake public beach and picnic area and is 50 percent State funded. The request includes a slight increase in Mr. Mosgrove's pay and increase of .25 per hour in the lifeguards' hourly rate to encourage retention (area pools are paying more).

A motion was made by Fanton, seconded by Hall and carried to accept the Budget Officer's recommendation for the .4 sub-account within the Beach & Pool proposed 2007 departmental budget.

Other Recreation, A7185, Budget Review (John Margeson):

This account is a pass-through account for State grant funding for the County's snowmobile trail system maintenance and grooming under the direction of Steve Robertson.

A motion was made by Kruger, seconded by Hall and carried to accept the Budget Officer's recommendation for the .4 sub-account within the Other Recreation proposed 2007 departmental budget.

County Reforestation, A8710, Budget Review (John Margeson):

The Soil and Water Conservation District manages the County reforestation on a contractual basis. This account also covers the town and school taxes on County owned forest lands.

A motion was made by Hall, seconded by Kruger and carried to accept the Budget Officer's recommendation for the .4 sub-account within the County Reforestation proposed 2007 departmental budget.

General Comments:

Salary requests will be considered separately at a later date by the Committee of the Whole in executive session. Some informal discussion did take place at this meeting, and it was requested that when the spreadsheet for Section IV/Non-Unit Salaries is generated, it should include a column for the previous year to allow comparison of increases. It was noted that department heads are working on development of a scale or schedule for Section IV/Non-Unit raises. Mr. Kruger suggested that these raises be based on the same percentage the union employees receive, across the board. Mr. Fanton noted that if tied to the union contract, there is no allowance for performance evaluations similar to what was done last year by the County Administrator. It was also pointed out that some departments have different benefits, i.e. cars or vacation and sick time accumulation.

Mr. O'Grady stated that the committee has so far seen increases of at least a couple thousand with almost every department reviewed, but he'd like to see a little cut. Mr. Crandall suggested that specific areas with questions can be revisited, if needed, following compilation of a "working" budget.

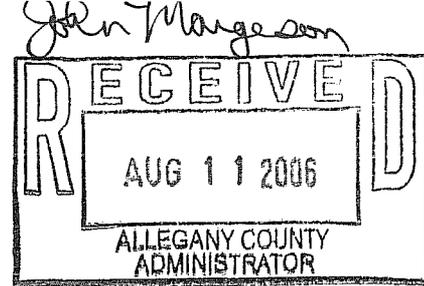
Next Meetings: Friday, August 4, 1:00 p.m. and Thursday, August 10, 1:00 p.m. A date will be scheduled after the August 10 meeting to review the entire working budget with additions and changes.

Adjournment: As there was no further business to come before the committee, the meeting was adjourned at 3:30 p.m. following a motion made by Fanton and seconded by O'Grady.

Respectfully submitted,
Adele Finnemore, Journal Clerk

**NOT
APPROVED**

**BUDGET COMMITTEE
August 4, 2006**



Members Present: T. Hopkins, W. Hall, K. Kruger, T. O'Grady

Others Present: J. Margeson, T. Ross, A. Finnemore, department heads as indicated below

Call to Order: The meeting was called to order by Chairman Hopkins at 1:00 p.m.

This meeting is a continuation of the one held August 3 to review proposed departmental budgets for 2007. Salary requests will be considered separately at a later date by the Committee of the Whole in executive session, so discussion was limited mainly to departmental .2 (equipment) and .4 (contractual expenses) sub-accounts. Following review and approval at this level, the working budget will be referred on to the Ways and Means Committee.

Mental Health, Budget Review (James Mulholland, Fiscal Officer):

A4220 Narcotic Addiction Control:

Budget requests are at the same level as the previous year. This program requires a local match for State funding.

A motion was made by Hall, seconded by O'Grady and carried to accept the Budget Officer's recommendation for the .4 sub-account within the Mental Health – Narcotic Addiction Control proposed 2007 departmental budget.

A4310 Mental Health Administration:

A motion was made by Hall, seconded by O'Grady and carried to accept the Budget Officer's recommendations for the .2, .4, and .8 sub-accounts within the Mental Health Administration proposed 2007 departmental budget.

A4311 Mental Health – Adult Intensive Case Management (ICM): (100 percent State aid)

A motion was made by Kruger, seconded by Hopkins and carried to accept the Budget Officer's recommendation for the .4 sub-account within the Mental Health – Adult ICM proposed 2007 departmental budget.

A4312 Mental Health – Youth ICM: (100 percent State aid)

A motion was made by Kruger, seconded by O'Grady and carried to accept the Budget Officer's recommendations for the .2, .4, and .8 sub-accounts within the Mental Health – Youth ICM proposed 2007 departmental budget.

A4313 Mental Health – Drop In Center:

State funded with the exception of \$80,000 in .458 ARC.

A motion was made by Hall, seconded by Kruger and carried to accept the Budget Officer's recommendation for the .4 sub-account within the Mental Health – Drop In Center proposed 2007 departmental budget.

A4314 Mental Health CSS: (100 percent State aid)

A motion was made by Kruger, seconded by O'Grady and carried to accept the Budget Officer's recommendation for the .4 sub-account within the Mental Health CSS proposed 2007 departmental budget.

A4315 Mental Health Reinvestment: (100 percent State aid)

A motion was made by Kruger, seconded by O'Grady and carried to accept the Budget Officer's recommendation for the .4 sub-account within the Mental Health Reinvestment proposed 2007 departmental budget.

A4316 Mental Health ICM: (100 percent State aid)

A motion was made by Hall, seconded by O'Grady and carried to accept the Budget Officer's recommendations for the .4 and .8 sub-accounts within the Mental Health ICM proposed 2007 departmental budget.

A4390 Mental Hygiene Law Expense:

This account is funded by County dollars but expenses are for services that are court-ordered. There is no local control. Dr. Anderson tries to attend the court cases to recommend alternatives to placement in mental health facilities in order to keep costs down. Costs are difficult to estimate and account overages are generally taken care of with year-end transfers.

A motion was made by Kruger, seconded by Hall and carried to accept the Budget Officer's recommendation for the .4 sub-account within the Mental Hygiene Law Expense proposed 2007 departmental budget.

Mental Health Revenues:

A motion was made by Hall, seconded by Kruger and carried to accept the Budget Officer's recommendation for estimated 2007 revenues within the Mental Health budget.

General Comments:

Mr. Kruger stated the opinion that trying to "hold the line" on departmental budgets is not doing anything to alleviate the County's fiscal problems. Although "holding the line" already reflects an actual decrease when considering rising costs, he'd like to see all department heads actively pursuing budget decreases of three percent.

Mr. Hall pointed out there will be other opportunities to revisit areas of concern. The committee needs to consider the individual circumstances of each department's budget and a "blanket" three percent reduction wouldn't work, i.e. the Mental Health programs that require a local match in order to receive State aid. Mental Health's Fiscal Officer James Mulholland affirmed that by noting that if the County doesn't match the State aid, funds are returned and reapportioned to other counties.

Mr. O'Grady noted that department heads were not advised to reduce their budgets by three percent, so their requests as submitted need to be reviewed. If a reduction is considered, it should be after the tentative budget is compiled. Mr. Hopkins reiterated by suggesting the committee put together the entire picture and then make adjustments. If cuts are made now,

they may be in the wrong area. Mr. Hopkins also pointed out that to build the County's reserves back up, we can't over-estimate revenues or under-estimate appropriations.

Mr. Mulholland pointed out that the Mental Health programs have absorbed cost increases over the years and have already made reductions. Their budget request represents a very tight budget.

Board of Elections, A1450, Budget Review (Cass Lorow):

All of the changes reflected in the Board of Elections' 2007 budget request are driven by the HAVA law requirements and are only estimates at this point. There has been no final decision made at the State level on certification of new voting machines. The County will be responsible for a five percent local match for the mandated new machines, which will cost a total of between \$8,000 to \$12,000 per machine. It is estimated that Allegany County will need 55 machines, but during the State's certification process, it may be determined that we need more due to the number of voters in each district and the length of time to vote.

A motion was made by Hall, seconded by Hopkins and carried to accept the Budget Officer's recommendations for the .2 and .4 sub-accounts within the Board of Elections proposed 2007 departmental budget.

Tourism, A6989, Budget Review (Jesse Case):

A significant portion of the Tourism budget is contingent on "I Love NY" grant funding, and their 2007 budget request was put together assuming the funding will be at the same level as this year's. The grant requires a 50 percent local match. The line item .477 which covers Mr. Case's contract reflects an increase to bring his pay in line with the average for that type of position in the surrounding counties. It was noted that approximately 51 percent of the contract expense would be expended by the County in fringe benefits if the position was salaried. It was pointed out that Mr. Case also has a contract with the Office of Development as a Development Specialist, so the Tourism position is not full-time.

A motion was made by Hall, seconded by O'Grady and carried to accept the Budget Officer's recommendation for the .4 sub-account within the Tourism proposed 2007 departmental budget, with the understanding that acceptance includes funding for the contract, but that the contract itself will be discussed in a separate venue at a later date. (Opposed: Kruger.)

Risk Retention Health, CSH Fund, Budget Review (John Margeson):

Mr. Margeson noted that the County is currently in the process of changing administrators for health insurance and hopefully will realize approximately \$500,000 in savings. In 2005, the hospitalization account was under-funded by \$700,000, and expenses for 2006 will probably also exceed what was budgeted by close to \$900,000. Prescriptions have been running between \$1 and \$1.5 million for the past three years, and 2006 expenses may run as high as \$2 million. The new plan will save in this area also. The 2007 budget request was left at the same amount as budgeted for 2006, considering both the new contract savings due to better negotiated discounts and the past history of running over budget.

Mr. O'Grady stated that he'd like to see enough money budgeted for known expenses to avoid having to make large year-end transfers to cover overages. In addition to past history, we need to consider that health insurance rates continue to rise. The CSH fund should be increased to at least \$5 million to cover known costs.

A motion was made by O'Grady, seconded by Hall and carried to increase Account CSH9061.806 by an additional \$1.35 million.

A motion was made by Kruger, seconded by O'Grady and carried to accept the Budget Officer's recommendation, including the increase as noted above, for the Risk Retention Health proposed 2007 budget.

It was noted that a very large number of employees will be retiring within the next five years. A suggestion was made that the County should investigate establishing a policy requiring that all new employees hired after a given date, regardless of position, will pay a portion of their health insurance premium. Mr. Hall recommended that a referral be sent to the Personnel Committee to discuss the need to develop a proposal to implement a policy requiring all employees to contribute to their health benefit premiums, by immediately looking at all new hires, followed by investigation of contributions by the entire work force. ***Referred to Personnel Committee.***

Contingent, A1990, Budget Review (John Margeson):

There was an additional \$175,000 transferred to the 2006 Contingent Account resulting from cuts made last year. It's the Budget Officer's recommendation to bring that account back to \$200,000 in the 2007 budget.

A motion was made by Hall, seconded by Kruger and carried to accept the Budget Officer's recommendation for the .4 sub-account within the Contingent proposed 2007 budget.

Assigned Counsel, A1171, Budget Review (John Margeson):

A motion was made by Kruger, seconded by O'Grady and carried to accept the Budget Officer's recommendation for the .4 sub-account within the Assigned Counsel proposed 2007 departmental budget (Hall abstained).

Comments:

The procedure for setting salaries was discussed. Section IV/Department Head salaries are set by Committee of the Whole. It was mentioned that there didn't seem to be any consistency with some of the non-unit salary requests regarding steps (response: salary requests include a combination of steps plus percentage increases). Human Resources calculates the salary scales and the Treasurer converts all figures to annual salaries rather than hourly rates. The Treasurer and County Administrator will go over the salary requests to make sure they're correct.

Next Meetings: Thursday, August 10, 1:00 p.m. to finish hearing from the last few of the department heads, and Wednesday, August 16, 3:00 p.m. to review the entire working budget with additions and changes. (The Budget Committee requested that their normal meeting time of 1:30 on the 16th be switched with Ways and Means' time of 3:00.) ***(Subsequent to this meeting, the August 10 Budget Committee meeting was cancelled.)***

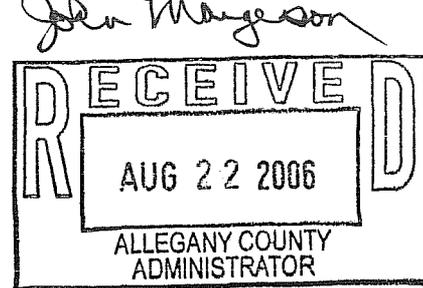
Adjournment: As there was no further business to come before the committee, the meeting was adjourned at 3:45 p.m. following a motion made by Kruger and seconded by O'Grady.

Respectfully submitted,
Adele Finnemore, Journal Clerk

**NOT
APPROVED**

BUDGET COMMITTEE

August 16, 2006



Committee Members Present

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

Others Present

R. Belmont, P. Cockle, G. Green, D. Horan, J. Margeson, M. McCormick, V. Pettit, B. Riehle, T. Ross, P. Schmelzer, D. Sirianni, K. Toot

Media Present

K. Ross – Wellsville Daily Reporter

Approval of Minutes

The minutes of July 19, August 3 and August 4, 2006 were approved on a motion by Kruger, seconded by Fanton and carried.

Clerk of the Board – 2007 Budget Review

Clerk of the Board Brenda Rigby Riehle noted that the Budget Officer removed the additional non-unit employee she requested in her 2007 Budget. Mrs. Riehle briefly commented on the advantages of having the position indicating that she hopes the position can be added in the future.

Mrs. Riehle reviewed the following accounts with the committee:

A1010	Legislative Board
A1040	Clerk, Board of Legislators
A1670	Central Service – Copying/Printing
A1672	Central Service – UPS
A1673	Central Service – Postage
A1910	Unallocated Insurance
CS Accts.	CS Risk Retention Fund

A motion was made by Hall, seconded by O'Grady and carried to accept the Budget Officer's recommendations for the proposed 2007 departmental budget for the above accounts.

Sheriff's Office Accounts

Sheriff Randal Belmont stated that he discussed his 2006 accounts with County Treasurer Terri Ross and County Administrator/Budget Officer John Margeson, and he believes he will be approximately \$96,000 over budget in his A3110.1 (Sheriff – Personnel) account. Legislator Theodore Hopkins, Chairman of the Budget Committee, stated that Mr. Margeson recommended waiting until next month when we should be done housing out to obtain a firmer figure. Committee members requested Sheriff Belmont to plan to come back to the October Budget Committee meeting with firmer figures.

Legislator Karl Kruger asked the Sheriff if the positions of Chief Officer and Assistant Chief Officer listed on a staffing analysis done by the NYS Commission of Correction were the same positions as our Jail Administrator and Assistant Jail Administrator. Sheriff Belmont confirmed that they are the same positions.

Probation Department – 2007 Budget Review

Probation Director David Sirianni stated that his budget is pretty straight forward and very similar to 2006. Mr. Sirianni noted that his A3140.403 account has increased \$5,000 to cover the cost of maintenance on the new PROBER Web software program.

Mr. Sirianni stated that he receives a fixed \$9,400 in revenue for the Alternatives to Incarceration Program (A3142) which governs our pre-trial and release programs. The Intensive Supervision Program (A3143) receives state aid fixed at \$12,000 per year which has remained the same for many years. This program deals with high-risk clients. Mr. Sirianni indicated that the state aid remains the same; however, the costs continue to go up. Mr. Sirianni stated that although the local share increases, the programs have had a tremendous impact on the jail population.

A motion was made by Hall, seconded by Fanton and carried to accept the Budget Officer's recommendations for the .2, .4 and .8 sub-accounts within the proposed 2007 departmental budget for the Probation Department.

Weights & Measures – 2007 Budget Review

Weights & Measures Director Gilbert Green distributed a supplemental sheet noting that he will be requesting additional funding at the next Public Safety meeting to cover overages in his gasoline account.

Mr. Green stated that he will need to add \$200 to his 2007 repair account if the purchase of a new van is not approved. Mr. Margeson indicated that the Weights & Measures van is not scheduled to be replaced until 2008. There is currently about 63,000 miles on the van. Committee members agreed to add the \$200 that was removed from A6610 back into the account. Mr. Green stated that he requested \$2,200 in the A6610.422 (Gasoline) account, and the Budget Officer reduced the 2007 budget request to \$2,000 for that account. Mr. Green stated the 2006 budget amount for that account was only \$1,000, and he believes he will spend approximately \$1,700 this year.

A motion was made by O'Grady, seconded by Hall and carried to add \$200 to A6610.411 making the 2007 budget amount \$500 and accept the Budget Officer's recommendations for the other .2 and .4 sub-accounts within the proposed 2007 departmental budget for Weights and Measures.

Office for the Aging – 2007 Budget Review

Office for the Aging Director Kimberley Toot distributed copies of a spreadsheet summarizing the accounts associated with running the department's 17 different grants. The overall budget for the Office for the Aging is up about 3.16 percent, and the County share is up 9.66 percent.

Ms. Toot expressed concern regarding the Budget Officer's removal of two vans from her 2007 budget. Ms. Toot stated that they have nine mobile meal routes. They have ten vans and use one as a backup. One van recently died with 177,000 miles on it, and the back up van has 155,000 miles on it. Mr. Margeson explained that he is recommending that the department purchase one van rather than two and the money for the one van will be centrally budgeted. Ms. Toot also indicated that

maintenance costs and gas and mileage accounts were also reduced, and this will force Ms. Toot to do some juggling. If fuel costs continue to rise, it could be problematic.

Ms. Toot briefly talked about her EISEP account noting that the state aid for that program is fixed so any increase in need has to be covered by the County, and if the needs cannot be covered by the County, people needing services are placed on a waiting list. Ms. Toot indicated that they currently have 105 people on their waiting list. Ms. Toot indicated that when people are placed on a waiting list, a Case Manager tries to determine if they might be eligible for other programs or services. The Case Manager also contacts the people on the waiting list every six months to assess their needs. Ms. Toot stated that the Office for the Aging tries to develop a plan of care for these individuals and find them other alternatives to meet their needs.

A motion was made by Hall, seconded by Kruger and carried to accept the Budget Officer's recommendations for the 2007 proposed budget for the Office for the Aging.

Social Services – 2007 Budget Review

Social Services Commissioner Patricia Schmelzer indicated that she submitted a 2007 proposed budget with an 8 percent increase, and the Budget Officer decreased that budget to reflect a .6 percent decrease from 2006. Mrs. Schmelzer indicated that she would feel more comfortable with at least a two to three percent increase.

Mrs. Schmelzer indicated that her biggest area of concern is the A6119.474 (Child Welfare) account which the Budget Officer decreased by almost \$529,000. Mrs. Schmelzer also noted that the corresponding revenue was not decreased accordingly. The County currently has over 100 children in custody which is about 30 more children than last year. In addition the federal government is in the process of conducting an audit, and it is possible that some counties may be assessed a 4-E penalty which would also need to be paid from this account. Last year we spent \$2.2 million, and so far this year we have spent \$1.4 million. Chairman Curtis Crandall suggested accepting the Budget Officer's recommendation and readdressing the issue again in a few months once the figures are more concrete.

A motion was made by Fanton, seconded by O'Grady and carried to accept the Budget Officer's recommendations for the 2007 proposed budget for the Department of Social Services.

Health Department – 2007 Budget Review

Public Health Director Dr. Gary Ogden submitted a 2007 proposed budget with a 12.12 percent increase, and the Budget Officer decreased the proposed budget to reflect about a 10 percent increase.

Pamela Cockle, Health Department Accountant, expressed concern with the Budget Officer's cut in account A4011.456 from the Department Head request of \$330,000 to \$275,000. There has been a decrease in utilization for the Home Health Aides, but an analysis of services for the first six months of 2006 reveal that approximately \$290,000 will be needed in the A4011.456 account to cover expenses through the end of 2006. Mrs. Cockle requested committee members to increase the 2007 budget amount back to at least \$290,000 which would still represent a decrease from last year.

Mrs. Cockle noted that the NYS Department of Health has increased the County's Article 6 State Aid Grant by \$100,000, and the rate of reimbursement on optional programs has been increased from 30 percent to 36 percent.

Mrs. Cockle also expressed concern with the Budget Officer's cut in account A4040.456 from the Department Head request of \$340,000 to \$280,000. Mrs. Cockle indicated that for 2006, we have

been averaging \$27,350 per month which would come out to \$328,000 per year. Legislator William Hall stated that \$280,000 does sound a little low and asked if we should add \$20,000 to the Budget Officer's recommendation.

Mrs. Cockle informed committee members that \$5,000 in funding for the A11.4489.4198 revenue account which represents federal aid for Bioterrorism Preparedness has been restored so the revenue account can be increased by \$5,000.

Committee members briefly discussed that the Early Intervention and Three to Five Programs are mandated programs, and they have both increased 28 percent. Mrs. Cockle indicated that it costs \$27,000 per child for the Three to Five Program.

Mrs. Cockle stated that the nurses need new laptops, and if we don't replace the 15 laptops, the nursing software program will not function. Dr. Ogden indicated that the department could save money and enhance the use of their software if the employees housed at 54 Schuyler Street were moved back to this building.

A motion was made by Hall, seconded by O'Grady and carried to add \$20,000 to the A4040.456 account and approve the Budget Officer's recommendations for all other account in the 2007 proposed Health Department Budget.

Health Department – 2006 Budget Report

Health Department Accountant Pamela Cockle distributed copies of a report summarizing the activity in the Health Department accounts for the period January 1, 2006 through July 31, 2006. Both the revenue and appropriation accounts appear to be accurate and very close to projections. Dr. Ogden clarified that for the A4011 and A4040 accounts, the figures represent revenue received through May and expenses paid through July. We have only received 8 percent of four revenues under the Preschool Special Education account as we are still waiting for the NYS Department of Education to set rates. The appropriations for the A4060 Early Intervention are a little high, and Dr. Ogden indicated that there has been an increase in diagnosis of autistic children.

Social Services – 2006 Budget Report

Social Services Commissioner Patricia Schmelzer distributed a report summarizing the revenues and expenditures for the first half of the year. The 2006 budget projections for both the revenues and expenses appear to be accurate. We have expended 47.57 percent of our budgeted appropriations and collected 41.44 percent of our budgeted revenues.

Legislator Kruger asked why 80.12 percent of the HEAP (A6141.4) account has been expended, and Mrs. Schmelzer explained that most of our payments go out between October and June. The County is reimbursed for all expenses associated with the HEAP Program.

Committee members noted that \$21.7 million is the 2006 local share for the total Allegany County budget, and the Social Services Department is responsible for half of that local share. Most programs are mandated. Last year Medicaid was about 41 percent of our total tax levy, and Medicaid account for \$8.7 million of the \$11 million Social Services Budget.

Reports

County Treasurer Terri Ross distributed a summary of proposed 2007 revenues and personnel costs to committee members.

Future Meetings

The next Budget Committee meeting will be after the Committee of the Whole on August 28.

Adjournment

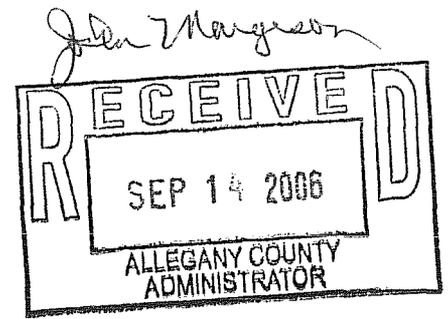
There being no further business to come before the committee, the meeting was adjourned.

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

**NOT
APPROVED**

BUDGET COMMITTEE

September 11, 2006



Committee Members Present

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

Others Present

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

Proposed Changes to the 2007 Budget

John Margeson, County Administrator/Budget Officer, proposed making several changes to the 2007 proposed budget to drop the tax level to single digits before filing the tentative budget.

Mr. Margeson's first recommendation was to appropriate \$200,000 from the Road Machinery Fund Balance. There is currently \$372,000 in the Road Machinery Fund right now. Legislator Theodore Hopkins, Chairman of the Budget Committee, asked if such an action would affect our bond rating. Mr. Margeson indicated that we would still be leaving \$172,000 in the fund, and at the end of 2006 we may have more to put in there. Legislator William Hall noted that we would be using more than half of what was accumulated in the last four years from this fund, and he has a problem with using the money in this manner.

Mr. Margeson's second recommendation was to appropriate \$200,000 from the Medical Risk Retention Fund Balance. It was noted that there is currently \$430,000 in this fund. Treasurer Ross explained that the General Fund has to make this fund whole at the end of the year. Any remaining balance comes from unanticipated revenues that are used first to offset unanticipated expenses in the current year.

Mr. Margeson's third recommendation was to reduce A9010.802 (Retirement) from \$2 million to \$1.75 million. Mr. Margeson stated that we were recently notified that our retirement bill is going to be about \$250,000 lower than originally estimated. Ms. Ross stated that currently 10.6 percent of our salaries must be paid to the retirement system, but that percentage should drop to about 9 percent. Our entire bill for all funds will be \$1,978,000. Committee members briefly discussed paying the retirement bill in December to receive a discount. Legislator Dwight Fanton commented that a lot of employees probably don't realize the cost of this benefit.

Mr. Margeson's fourth recommendation was to reduce A9030.803 (Social Security) from \$1.6 million to \$1.4 million. Mr. Margeson believes that we have some extra in this account and can drop it to his suggested amount.

Mr. Margeson's fifth recommendation was to reduce A1170.101 (Public Defender – Regular Pay) from \$186,543 to \$161,000. The Public Defender had budgeted for an additional Assistant Public Defender.

Mr. Margeson's sixth recommendation was to reduce A1620.101 (Building – Regular Pay) from \$378,496 to \$360,496. The Public Works Superintendent had budgeted for an additional Cleaner.

Mr. Margeson's seventh recommendation was to increase Sales Tax Revenue by \$300,000 from \$16.8 million to \$17.1 million. Mr. Margeson believes we will come in around \$17.2 this year,

and noted that the cost of gas has contributed to that increase. If we come in around \$17.2 this year, Mr. Margeson believes that the \$17.1 million figure is very good for 2007. Mr. Hopkins stated that he does not believe that history supports the increases. Committee members briefly discussed the spending habits of people and how this might affect sales tax revenue.

Chairman Curtis Crandall noted that Allegany County has ended up in the black due to certain circumstances, and if we take the approach of being real conservative, you are going to struggle with tax increases. Mr. Crandall stated that we don't have the luxury of pulling back and being ultra conservative on some issues asserting that we have to play it close to the edge of the cliff. Chairman Crandall stated that the budget, in a lot of cases, is a guess of where we will be, and the charge of the Budget Committee is to continually review reports from the Treasurer and monitor where we are at.

Legislator Hopkins stated that there will not be a lot of wiggle room in the 2007 budget and asked if the department heads have been asked to try to cut their budgets further. Mr. Margeson indicated that the four largest departments were cut pretty deep last year, and he isn't sure how much we can get from them this year. Mr. Hopkins stated that if some of the departments could give a little more perhaps we would not need to adjust both sales tax revenue and fund balances.

Committee members briefly discussed how housing in inmates will affect the 2007 and future budgets. County Treasurer Terri Ross stated that the housing in money must go into reserve (Debt Service Fund) and can't be built into the 2007 budget unless you appropriate it as it comes in. Ms. Ross emphasized that she cannot support under budgeting something in hopes of receiving revenue from housing in. Ms. Ross further explained that even though the jail payment has been budgeted, and we may be able to offset some of this with revenue, we still do not know what the operating expenses are going to be. We still have employees and expenses to pay whether or not we house in. It was noted that the overtime costs for the Sheriff's Office and jail exceeded \$1 million in 2005.

Ms. Ross expressed concern with the proposed budget cuts noting that the General Fund was \$923,000 in the negative at the end of 2005. She questioned how they planned to dig themselves out of this hole, or make up almost \$1 million in the General Fund if the 2007 budget is cut this close. Ms. Ross indicated that this is what was done in prior years that created the huge deficits we experienced. Ms. Ross believes that the proposed cuts, especially appropriations from fund balances, should be the very last budget adjustments that are even considered.

Ms. Ross noted that the budget has grown from \$70 million to \$96 million in a period of five years. Committee members briefly discussed the portion of the budget that they have control over noting that of the \$20 million local tax dollars, \$9 million is spent on Medicaid, \$5 million in medical insurance, \$2 million on the retirement bill plus social security with no offset. Chairman Crandall requested Mr. Margeson to breakdown the mandated and optional programs and assign a dollar amount to be raised by taxes to each program. **Refer to County Administrator/Budget Officer**

Mr. Margeson's eighth recommendation was to increase Interest and Penalties from \$900,000 to \$925,000. It was noted that this account is the interest and penalties collected on delinquent taxes. Last year we received \$950,000, and the year before we received under \$900,000. As of the end of August, we have received \$477,000 this year.

Mr. Margeson's ninth recommendation was to increase Automobile Tax from \$250,000 to \$260,000. It was noted that \$278,000 was collected in 2005.

Mr. Margeson's tenth recommendation was to reduce A6430.474 (Economic Development Contract) from \$75,000 to \$50,000. Mr. Margeson stated that he has not yet seen a proposal as to what the Development Office plans to use the funds for.

County Treasurer Ross noted that nothing has been placed in the budget for vehicles yet.

Committee members went on to discuss lowering expenses by reducing the workforce through attrition, offering retirement incentives, combining positions, requiring additional contributions towards medical insurance, and eliminating sick and vacation buy backs.

Budget Committee Chairman Hopkins requested Mr. Margeson to discuss making additional budget cuts with department heads.

Future Meetings

The next Budget Committee meeting will be Wednesday, September 20 at 1:30 p.m.

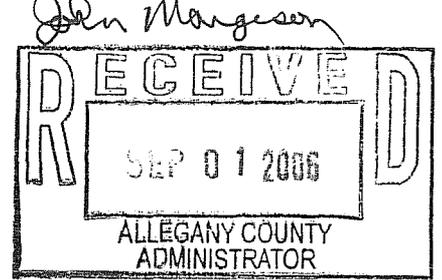
Adjournment

There being no further business to come before the committee, the meeting was adjourned.

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

**NOT
APPROVED**

**BUDGET COMMITTEE
August 28, 2006**



Members Present: T. Hopkins, W. Hall, K. Kruger, T. O'Grady, C. Crandall

Others Present: D. Pullen, J. Margeson, T. Ross, K. Toot, A. Finnemore; **Media:** R. Heineman

Call to Order: The meeting was called to order by Chairman Hopkins at 4:15 p.m.

Approval of Minutes: A motion was made by Hall, seconded by Hopkins and carried to approve the minutes of the August 16 meeting.

County Treasurer Terri Ross distributed copies of the 2007 Budget working papers, which include changes recommended by the Budget Committee to date. More work is needed to pare down expenses. The Committee discussed several ways to decrease the amount needed to be raised by property taxes to a figure that will preferably reflect an increase of under five percent. Discussion included going back to department heads to request additional cuts, looking at unmandated programs, and looking for areas that appear inflated.

It was noted that there is a very small percentage of the total budget that the County has any control over. Also, if the budget is too tight, there will be no surplus at the end of the year. The Committee has already added over \$200,000 to what was recommended by the County Administrator, and now funds will have to be added for the Grant Writer and Planner positions that were approved at the special meeting of the Board of Legislators on August 24. Some of the additional expenses can't be taken back out because they are realistic expenses that will have to be paid. Additionally, funds have not yet been included for working on the problems with the Court Facilities or for County vehicle purchases.

The County Treasurer mentioned that problems have arisen in the past when department heads have been asked for additional cuts, because some of the cuts were unrealistic and the expenses still had to be paid. Many areas just have no margin for further reductions and also, the County has no control over decreases in certain revenues.

Next Meeting:

The Budget Committee will meet again on September 11 following the Board meeting and the Committee of the Whole, just prior to the Planning & Development Committee meeting. Mr. Margeson made note that he would like to release the Tentative 2007 Budget at the end of September.

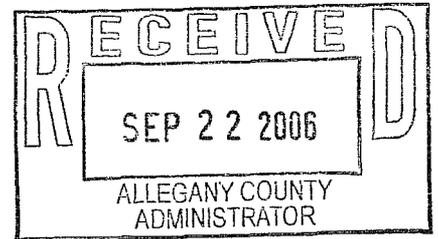
Adjournment: As there was no further business to come before the committee, the meeting was adjourned at 4:45 p.m.

Respectfully submitted,
Adele Finnemore, Journal Clerk

**NOT
APPROVED**

BUDGET COMMITTEE

September 20, 2006



Committee Members Present

T. Hopkins, D. Fanton, K. Kruger, T. O'Grady, C. Crandall

Others Present

W. Dibble, J. Margeson, S. Presutti, B. Riehle, T. Ross, D. Russo, N. Ungermann

Media Present

P. Jannace – Wellsville Daily Reporter

Proposed Changes to the 2007 Budget

John Margeson, County Administrator/Budget Officer, presented 39 changes he plans to make before officially filing the 2007 tentative budget.

Changes one through thirteen reflect changes to .101 Personnel Services accounts as follows:

1. Reduce A1011.101 (County Administrator) by \$1,800 from \$97,045 to \$95,245.
2. Reduce A1040.101 (Clerk-BOL) by \$500 from \$114,684 to \$114,184.
3. Reduce A1165.101 (District Attorney) by \$5,500 from \$374,383 to \$368,883.
4. Reduce A1170.101 (Public Defender) by \$3,000 from \$186,543 to \$183,543.
5. Reduce A1325.101 (Treasurer) by \$17,000 from \$297,673 to \$280,673.
6. Reduce A1355.101 (Real Property) by \$5,000 from \$203,472 to \$198,472.
7. Reduce A1410.101 (County Clerk) by \$1,000 from \$494,538 to \$493,538.
8. Reduce A1420.101 (County Attorney) by \$15,500 from \$313,050 to \$297,550.
9. Reduce A1430.101 (Human Resources) by \$3,500 from \$135,663 to \$132,163.
10. Reduce A1680.101 (Central Service Computer) by \$7,200 from \$173,005 to \$165,805.
11. Reduce A3110.101 (Sheriff) by \$6,000 from \$792,848 to \$786,848.
12. Reduce A6010.101 (Social Services) by \$50,000 from \$3,103,010 to \$3,053,010.
13. Reduce A3150.101 (Jail) by \$45,000 from \$1,968,917 to \$1,923,917.

Mr. Margeson indicated that changes fourteen through twenty-five reflect adjustments to the following overtime accounts:

14. Reduce A3150.103 (Jail) by \$50,000 from \$420,337 to \$370,337.
15. Reduce A3110.103 (Sheriff) by \$25,000 from \$100,000 to \$75,000.
16. Reduce A1620.103 (Buildings) by \$5,000 from \$15,000 to \$10,000.
17. Reduce A3112.103 (E-911) by \$5,000 from \$20,000 to \$15,000.
18. Reduce A4010.103 (Health) by \$10,000 from \$25,000 to \$15,000.
19. Reduce A4011.103 (Health - Nurses) by \$8,000 from \$23,000 to \$15,000.
20. Reduce A4040.103 (Health - Long Term) by \$3,000 from \$7,000 to \$4,000.
21. Reduce A6010.103 (Social Services) by \$18,600 from \$38,600 to \$20,000.
22. Reduce A6011.103 (DSS – CAP) by \$2,000 from \$4,000 to \$2,000.
23. Reduce A6510.104 (Veterans) by \$2,000 from \$5,500 to \$3,500.
24. Reduce D5110.103 (County Road) by \$20,000 from \$70,000 to \$50,000.
25. Reduce D5130.103 (Road Machinery) by \$5,000 from \$15,000 to \$10,000.

26. Mr. Margeson plans to reduce A8751.492 (Cooperative Extension) by \$15,000 from \$210,000 to \$195,000. Mr. Margeson indicated that the 2006 appropriation was \$189,000.
27. The twenty-seventh change is to correct a clerical error by increasing A10.3670.00 (DSS Recipients) by \$450,000 from \$50,000 to \$500,000.

Mr. Margeson stated that changes 28, 29 and 30 reflect changes in principal and interest for Debt Service. The bonds were sold on Wednesday, and we had originally anticipated a 5 percent interest rate and budgeted accordingly; however, we were able to negotiate a rate of 4.32 percent. The bond was for \$23.17 million, and the lower interest rate will save us over \$100,000 per year or \$2.5 million over the life of the bond. This is the first time we have gone out to bond since 2001. The accounts will be adjusted as follows:

28. Increase V9710.6.00 (Debt Service Principal) by \$65,000 from \$1,140,000 to \$1,205,000.
29. Decrease V9710.7.00 (Debt Service Interest) by \$172,862 from \$1,360,000 to \$1,187,138.
30. Decrease A9560.905 (Interfund Transfer – Debt Service) by \$107,862 from \$3,138,800 to \$3,030,938.
31. Mr. Margeson stated that Office for the Aging Director Kimberley Toot indicated that she could reduce A6773.402 (OFA – Mileage) by \$5,000 from \$18,700 to \$13,700.

Mr. Margeson stated that he would like to do a little more research for changes 32 and 33 which reduce the electric and gas appropriation for the jail. Mr. Margeson indicated that we don't yet have a stable history as to what those bills are going to be; however, we can adjust them at the last minute if necessary. Committee members briefly discussed the temperature at the new facility. The accounts will be adjusted as follows:

32. Reduce A3152.427 (Jail – Electricity) by \$50,000 from \$300,000 to \$250,000.
33. Reduce A3152.428 (Jail – Natural Gas) by \$50,000 from \$250,000 to \$200,000.

Mr. Margeson stated that Social Services Commissioner Patricia Schmelzer suggested that the changes listed in 34 through 39 could be made to the Social Services accounts:

34. Reduce A6109.474 (DSS – TANF) by \$95,000 from \$4,200,000 to \$4,105,000.
35. Reduce A6140.474 (DSS – Home Relief) by \$86,000 from \$1,500,000 to \$1,414,000.
36. Reduce A10.3609.00 (DSS – Dependent Children) by \$23,000 from \$610,000 to \$587,000.
37. Reduce A10.3640.00 (DSS – Home Relief) by \$42,000 from \$691,000 to \$649,000.
38. Reduce A11.4609.00 (DSS – Dependent Children) by \$47,000 from \$1,388,000 to \$1,341,000.
39. Reduce A10.3610.00 (DSS – Administration) by \$44,000 from \$1,240,000 to \$1,196,000.

Mr. Margeson stated that the total impact of the 39 recommended changes reduces total appropriations by \$979,462; however, the cuts to TANF and Home Relief resulted in a revenue loss of approximately \$112,000 bringing the net budget reduction to \$867,462. Mr. Margeson stated that he believes the tax levy now stands at a 4.9 percent increase, but he will work with the County Treasurer and let the committee know. Mr. Margeson stated that he hopes to release the tentative budget at the end of September, but last year it was the first week in October.

Vehicles for 2007

Legislator Theodore Hopkins, Chairman of the Budget Committee, mentioned the previous Vehicle Replacement Plan and asked if any vehicles had been budgeted for 2007.

With the exception of the Sheriff's vehicles, the vehicles that we planned to purchase in 2006 have not been ordered. In 2005 we took out a bond anticipation note for \$300,000 to establish the Capital Vehicle Purchase/Replacement Account. The 2006 Sheriff's vehicles were purchased out of that, and there is still a little money left in the account. Chairman Curtis Crandall stated that the initial borrowing was to establish the fund to get us started, and we should be budgeting for vehicles every year.

Mr. Margeson stated that he wanted to talk to the committee about possibly putting more money aside for vehicles. Mr. Margeson indicated that there is currently \$52,000 in the Health Department budget, and he would like to take that money and budget additional funds for a suggested amount of \$100,000 to build the Vehicle Capital Account back up. Mr. Margeson also mentioned the possibility of an installment plan through Chase. Mr. Margeson believes that the Vehicle Replacement Plan called for the purchase of 12 vehicles in 2007.

Planner and Grant Writer

Legislator Hopkins mentioned the referral from the Committee of the Whole requesting the committee to budget for a Planner and Grant Writer in the 2007 budget. Mr. Margeson stated that there are funds we can identify for a Planner, and he has sent out the Request for Proposals (RFP) for the Grant Writer. The RFP went to four potential bidders, and Mr. Margeson still plans to send out one more. Mr. Margeson indicated that we have to decide once the proposals come in if we are going to move forward with a Grant Writer. We'll have to estimate what the cost to the County will be; and either find the funds to finance the Grant Writer or take the money from Contingency.

Proposed Cuts to Overtime Accounts

Legislator Timothy O'Grady expressed concern regarding Mr. Margeson's suggested cuts to overtime accounts noting that we always cut overtime, and then departments go over budget. Mr. O'Grady stated that we aren't really cutting costs; we are only making the cuts on paper. Mr. O'Grady suggested that the compensation and overtime accounts could be used to balance each other, and then look at reductions after that. Mr. Margeson indicated that could be done. County Treasurer Terri Ross also explained that department heads do not break down their .1 budgetary requests into separate line items. The figures listed in the individual .1 line items are based on the percentage used for each line item in the previous year.

Utility Costs

Legislator Norman Ungermann asked if the gas company provided estimates as to what it might cost to heat the jail. Mr. Margeson said that both the gas and electric companies indicated that there were too many variables, and we were not able to even get an estimate from the engineers. Mr. Margeson and committee members agreed that some type of estimates should have been made available, and we should be able to get a cost analysis.

Ms. Ross indicated that we will fall about \$70,000 to \$80,000 short in our electric account this year. Ms. Ross also provided committee members with figures for recent water bills.

Legislator Karl Kruger asked if there was any way to shut the heat off in the jail upstairs in the County Office Building. Mr. Margeson indicated that the County's heating system is zoned, and they should be able to lower the temperature.

Budget

At the request of Legislator Timothy O'Grady, Mr. Margeson explained the budget process and timetable to committee members. Mr. Margeson noted that he can make any changes before the tentative budget has been filed, but once the tentative budget has been filed, a resolution is required to make changes to the budget. Our public hearing on the tentative budget is scheduled for November 9 at 7 p.m., and the 2007 budget is scheduled to be adopted on November 27, 2006.

Mr. O'Grady stated that every cut helps, and he believes that legislators should look at the total package – vehicle usage, cell phones, etc. Mr. O'Grady also suggested looking at individual services to determine what services we can continue to offer, determine what we can afford and what we can cut. Legislator Hopkins suggested developing processes that could help the County have a better budget process.

Legislator Dwight Fanton stated that he would like to see what the cost savings would be if non-union employees contributed a fixed percentage toward their health insurance benefits. Later in the meeting Mr. Fanton requested Mr. Margeson to determine what the savings would be if non-unit employees all contributed five (5) percent of their health benefits. Legislator Norman Ungermann suggested looking into discontinuing the practice of allowing employees to sell back their sick and vacation time. Refer to John Margeson

Committee members discussed the Contingency account and agreed that it should probably be more than the current \$200,000 especially when there are unknown expenses or if we are tight in other area.

County Treasurer Terri Ross stated that we have been able to recoup over \$3 million of the \$4 million that we were in the hole over the last two years. Ms. Ross indicated that the General Fund is still in the negative by approximately \$923,000, and we want to keep going upwards and not slip back down.

Jail Budget

Committee members discussed the savings in overtime, housing out, and transportation expenses that should be experienced now that the new Allegany County Jail and Public Safety Facility is open. Committee members also briefly discussed the potential revenue that may be gained after we are able to house in. Legislator Norman Ungermann expressed concern regarding the low reimbursement rate received for state and federal prisoners and how that might affect our potential revenue stream.

Landfill

Legislator Karl Kruger asked if funds have been set aside for closing costs for the landfill, and Mr. Margeson indicated that over \$2.1 million is in a Solid Waste Reserve account, and the final closure is about seven years away. Mr. Kruger asked if there was any plan to set additional money aside, and Mr. Margeson indicated that there is not a specific plan – everyone has their own opinion how the closure should be financed. Legislator Dwight Fanton, Chairman of the Public Works Committee, stated that the Board will have to determine if they want to add on or build a new landfill before that. Chairman Crandall stated that the operating costs of the landfill have never been properly addressed, and Mr. Margeson indicated that the taxpayers subsidize the cost of operating the landfill by \$1.25 to \$1.5 million every year on their taxes. Mr. Kruger asserted that some unnecessary spending has been left in past budgets while necessary things were cut. Mr. Kruger stated that more money should be left in reserve so that we are ready for expenses like landfill closure costs noting that it will reduce the financial liability later. Mr. Kruger added that unnecessary expenses like driving

vehicles home should be cut so that we can better prepare for expenses we know we will have in the future. Committee members briefly discussed tipping and permit fees.

Adjournment

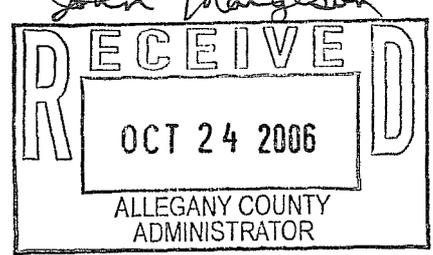
There being no further business to come before the committee, the meeting was adjourned.

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

**NOT
APPROVED**

BUDGET COMMITTEE

October 18, 2006



Committee Members Present

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

Others Present

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

Media Present

P. Jannace – Wellsville Daily Reporter; K. Doyle – Olean Times Herald

Approval of Minutes

The September 11 Budget Committee minutes were approved on a motion by Kruger, seconded by Hall and carried.

Sales Tax Report

County Treasurer Terri Ross distributed copies of the sales tax report noting that we have collected \$850,363.62 (6.86 percent) more this year than last year at this time. To date we have collected \$13,252,828.93 in sales tax revenue. The increase over 2005 was at approximately 9 percent two months ago. Sales tax revenue was budgeted for \$16.3 million in the 2006 budget, and committee members believe the County will receive the projected amount. The sales tax revenue has been budgeted at \$17.1 million for the 2007 budget.

Legislator Karl Kruger expressed concern about the \$17.1 million budgeted for 2007 asserting that he believes the figure is too high. Legislator Theodore Hopkins, Chairman of the Budget Committee, indicated that he believes we might have a hard time meeting the projected \$17.1 million, but he believes there are other things in the budget that may compensate for or offset that. Committee members discussed the fact that sometimes there are tradeoffs in the budget – if gas prices go down and our sales tax is less, our expenses might also be lower than projected. Budget Officer John Margeson believes that the \$17.1 million is a good figure for projected 2007 sales tax revenue.

Overtime Form

Ms. Ross distributed copies of an overtime form to be used for reporting and summarizing overtime and compensation time. The form would report the amount of overtime as well as the reason for the overtime, and committee members are very interested in determining what overtime hours are being spent on. The report would also include pertinent budgetary information related to overtime and payroll in any given department. Terri suggested that each department head could submit the form with their payroll. Committee members briefly discussed an implementation date. A motion was made by Fanton, seconded by O'Grady and carried to refer the matter to the Ways and Means Committee for approval of the form and implementation of use. Refer to Ways and Means

Overtime Reports

Committee members reviewed overtime reports from the jail. Overall overtime in the jail is up from last year. September's overtime was also up; however, the compensation time was about half. It was noted that training and transfers are pretty much over so it will be interesting to look at overtime figures for October.

2006 Budgetary Review

The committee would like to begin reviewing 2006 departmental budget reports again starting at next month's meeting. John Margeson, County Administrator/Budget Officer, will schedule the departments to come in.

2007 Budget

Mr. Margeson indicated that the 2007 tentative budget has been released, and the Ways and Means Committee will begin reviewing it on Monday at the meeting scheduled for 9:30 a.m. Mr. Margeson is currently working on an executive summary for that meeting.

Committee members briefly discussed the fact that any revenue received for housing in inmates will be put in reserve and spent on debt service.

Adjournment

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

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

2006 Allegany County Sales Tax

2006	Amount	Interest	Balance	Amount	Interest	Balance
13-Jan	\$635,228.32			\$691,438.50		
20-Jan		\$2,201.20	\$637,429.52		\$1,179.63	\$692,618.13
7-Feb	\$1,006,109.40			\$885,478.63		
13-Feb	\$276,120.48			\$229,059.65		
17-Feb		\$2,183.08	\$1,921,842.48		\$1,033.34	\$1,808,189.75
7-Mar	\$788,135.16			\$733,507.68		
13-Mar	\$219,402.60			\$150,290.13		
17-Mar		\$1,544.59	\$2,929,380.24		\$797.99	\$2,691,987.56
6-Apr	\$1,095,864.57			\$1,012,821.49		
13-Apr	\$823,678.52			\$631,032.18		
18-Apr		\$2,749.85	\$4,853,217.77		\$1,332.47	\$4,337,971.69
8-May	\$961,049.06			\$857,646.25		
15-May	\$268,957.84			\$236,834.69		
18-May		\$2,441.34	\$6,085,666.01		\$1,277.08	\$5,433,729.71
6-Jun	\$948,529.15			\$865,516.97		
13-Jun	\$214,384.82			\$228,641.86		
16-Jun		\$2,358.70	\$7,250,938.68		\$1,208.04	\$6,529,096.58
29-Jun	\$586,000.00			\$580,000.00		
3-Jul	\$537,240.37			\$517,512.23		
13-Jul	\$664,019.30			\$631,816.63		
18-Jul		\$2,401.30	\$9,040,599.65		\$1,360.82	\$8,259,786.26
7-Aug	\$946,132.36			\$893,047.41		
14-Aug	\$277,050.62			\$284,456.19		
19-Aug		\$2,423.18	\$10,266,205.81		\$1,285.95	\$9,438,575.81
7-Sep	\$895,927.51			\$849,945.43		
13-Sep	\$254,149.98			\$211,158.70		
18-Sep		\$2,449.53	\$11,418,732.83		\$1,369.67	\$10,501,049.61
6-Oct	\$1,193,804.24			\$1,306,697.11		
13-Oct	\$661,044.63			\$605,563.58		
19-Oct		\$0.00	\$13,273,581.70		\$2,109.96	\$12,415,420.26
7-Nov	\$0.00			\$892,297.03		
14-Nov	\$0.00		\$13,273,581.70	\$186,439.67		\$13,494,156.96
19-Nov		\$0.00			\$2,079.94	
6-Dec	\$0.00			\$895,882.16		
13-Dec	\$0.00		\$13,273,581.70	\$183,571.42		\$14,575,690.48
19-Dec		\$0.00			\$1,407.87	
30-Dec	\$0.00			\$731,000.00		
4-Jan-06	\$0.00		\$13,273,581.70	\$590,483.21		\$15,898,581.56
A1110 Sales Tax	\$13,252,828.93			\$15,882,138.80		
A1190 Interest		\$20,752.77			\$16,442.76	
Total for year	\$13,273,581.70			\$15,898,581.56		

10/17/2006

Budget 2006 A1110

\$16,200,000.00

to date 2006

\$13,252,828.93

\$2,947,171.07 balance of budget due

to date 2005

\$12,402,465.31

Budget 2006 A1190

\$6,000.00

growth in \$\$'s

\$850,363.62

-\$14,752.77 balance of budget due

% of growth

6.86%

estimated growth in \$\$'s

2006 using % increase

\$1,088,944.23

\$16,971,083.03

\$3,479,673.49

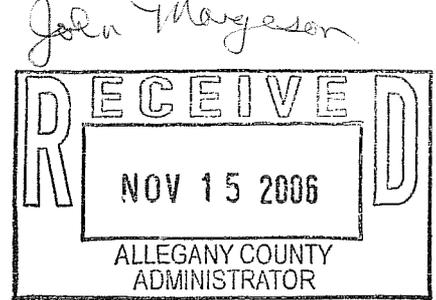
\$238,580.61

\$3,718,254.10 \$16,971,083.03

**NOT
APPROVED**

BUDGET COMMITTEE

November 15, 2006



Committee Members Present

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

Others Present

R. Christman, P. Cockle, D. Horan, J. Margeson, G. Ogden, B. Riehle, D. Roeske, T. Ross, P. Schmelzer, K. Toot

Media Present

P. Jannace – Wellsville Daily Reporter; K. Doyle – Olean Times Herald

Approval of Minutes

The October 18 Budget Committee minutes were approved on a motion by Fanton, seconded by Kruger and carried.

Health Department – Budget Review

Public Health Director Gary Ogden distributed copies of the Health Department's third quarter financial report noting that their accounts are accurate and very close to projections. Dr. Ogden stated that the revenues are down slightly due to a one-month lag between the time of service and when billing can be sent in for the Home Health Care Program. Dr. Ogden also informed committee members that the Health Department cannot bill the state for reimbursement until a rate is set for the Preschool and Special Education Program, and that typically takes over a year.

Social Services Department – Budget Review

Social Services Commissioner distributed copies of the Social Services' third quarter financial report. Ms. Schmelzer stated that they received \$200,000 in Medicaid money back from the Cap in August. Ms. Schmelzer projects that the Social Services Department will have \$1 million in unexpended funds at the end of the year.

Public Works Department – Budget Review

Public Works Superintendent David Roeske distributed copies of the Public Works' third quarter financial report. Mr. Roeske stated that his revenues are below the projected amount and will fall short by approximately \$125,000. Mr. Roeske explained that a few of the bridges that were originally scheduled for 2006 will not be done until 2007, and revenue they anticipated from the town's share of the bridge as well as the Road Machinery contribution will not be received until the bridges are done in 2007. Mr. Roeske stated that they will experience a shortfall of approximately \$60,000 for the electric expenses for this building; however, they hope to be able to recover that loss within their own budget and plan to end the year in the black.

County Clerk – Budget Review

County Clerk Robert Christman distributed copies of his third quarter financial report noting that his revenue and expense accounts are accurate and very close to projections. Mr. Christman indicated that the additional mortgage tax is down slightly, and he believes that is due to the higher interest rates slowing business down. Mr. Christman stated that his cost of doing business is down slightly, and he

projects he will have some unexpended funds at year end. Mr. Christman stated that the Department of Motor Vehicles pays for itself, and he requested committee members to continue to encourage citizens to use their local DMV. Mr. Christman noted that in the near future, citizens will need a passport to enter Canada, and he hopes everyone will use their local County Clerk's Office to obtain their passports.

Office for the Aging – Budget Review

Office for the Aging Director Kimberly Toot distributed copies of her third quarter financial report. Ms. Toot stated her accounts are accurate and very close to projections noting that they are usually about two months behind in receiving their state aid reimbursements. Ms. Toot indicated that she was able to secure a \$35,000 grant-in-aid representing a cost of living increase in state funding and \$20,000 of it wasn't budgeted. Committee members commended Ms. Toot on the great job she is doing.

Probation Department – Budget Review

Probation Director David Sirianni distributed copies of his third quarter financial report. The Probation accounts all appear to be accurate and very close to projections. Mr. Sirianni indicated that they did slightly underestimate the amount of vacation and sick time that would be sold back this year, but he doesn't believe they will have trouble making it up.

Treasurer's Office – Budget Review

County Treasurer Terri Ross distributed a sales tax report to committee members. Ms. Ross stated that our sales tax revenues are \$936,964 (almost 7 percent) higher than last year at this time.

Ms. Ross indicated that she was able to lock in good figures, and they made money on the County's certificates of deposit this year.

Ms. Ross expressed concern regarding the A2495.4 (Community College Expenses) account stating that it is already over budget, and she anticipates that an additional \$60,000 in fall bills will still be coming in.

Ms. Ross distributed a summary of all cost centers in the General Fund. Ms. Ross stated that at year end, whenever possible, she plans to balance the accounts from other accounts under the same department. Quite often accounts within a department can offset other accounts. Ms. Ross noted that the books aren't actually closed until April.

Legislator Theodore Hopkins, Chairman of the Budget Committee, asked how the health insurance accounts are doing. Ms. Ross indicated that we are currently running two separate accounts now that we have opened an account for Nova, and she will plan to bring health insurance figures to the next meeting.

Chairman Curtis Crandall stated that without anything drastic happening, we should end the year on a positive note.

Adjournment

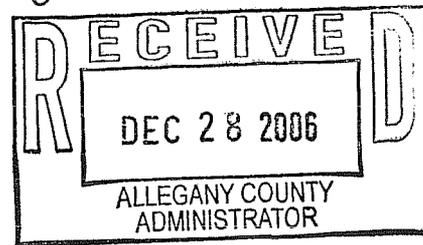
There being no further business to come before the committee, the meeting was adjourned.

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

**NOT
APPROVED**

BUDGET COMMITTEE

December 20, 2006



Committee Members Present

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

Others Present

J. Margeson, B. Riehle, T. Ross

Media Present

P. Jannace – Wellsville Daily Reporter; K. Doyle – Olean Times Herald

Approval of Minutes

The November 15 Budget Committee minutes were approved on a motion by Kruger, seconded by O'Grady and carried.

Overtime Report

County Treasurer Terri Ross distributed copies of an Overtime Report covering payroll period #23 (10/28 – 11/10/06) and payroll period #24 (11/11 – 11/24/06). Over 4,791 overtime hours were worked in November, and the total overtime costs were \$133,346.59. Overtime hours paid were 3,384.42, and 2,208.86 hours were banked as compensatory time.

Committee members discussed the overtime hours in the various departments. Chairman Curtis Crandall noted that some overtime appeared to be caused by special events and evening clinics, and he questioned if an employee's hours could be scheduled to accommodate these things. Concern was expressed regarding the fact that compensatory time often results in additional overtime especially with positions that must be filled when a person is off. Legislator Theodore Hopkins, Chairman of the Budget Committee, commented that when it comes to accumulating and using compensatory time, it seems like we have a lot of little policies rather than one firm, blanket policy that would cover everyone.

Committee members briefly discussed the use of time clocks noting that it would provide a better accounting of wages, and the information could be used as a financial and reporting tool. Committee members requested Ms. Ross to consult with the Personnel Officer and County Attorney and to investigate the matter further.

Committee members would like to continue to see the Overtime Report every month. Ms. Ross indicated that they are trying to improve the processes used to obtain and provide the desired information.

Sales Tax Report

Ms. Ross distributed copies of a Sales Tax Revenue Report noting that there are still two more payments to come in. Our sales tax revenue for the year is approximately 6.68 percent higher than last year.

Sheriff's Office – Financial Report

Ms. Ross distributed copies of a financial report for the Sheriff's Office as of December 15, 2006. The report indicates that we have received 80 percent of the projected revenues for the year and have spent about 111 percent of the projected appropriations. The current deficit in the Sheriff's Office for the year is \$561,710. It was noted that this figure does not include the last payroll or other expenses that still need to be paid in December; however, we may also collect additional revenues.

Adjournment

There being no further business to come before the committee, the meeting was adjourned.

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