

**BUDGET COMMITTEE**  
**September 28, 2015**  
**NOT APPROVED**

**Committee Members Present:** K. LaForge, P. Curran, D. Fanton, C.Crandall (Absent: T. Hopkins, T. O'Grady, D. Root)

**Others Present:** M. Alger, K. Graves, D. Healy, R. Hollis, K. Hooker, C. Ivers, K. Monroe, B. Riehle, T. Ross, R. Scott, R. Sobeck-Lynch

**Media Present:** No media present.

**Call to Order:** The meeting was called to order at 9:05 a.m. by Budget Committee Vice Chairman Kevin LaForge.

**Approval of Minutes**

Secretary to the Clerk of the Board Rebecca Scott stated she incorrectly recorded the recommended personnel changes in the September 16, 2015, meeting minutes. Ms. Scott adjusted the minutes to reflect the correct recommended personnel changes in the 2016 Budget. A motion was made by Legislator Fanton, seconded by Legislator Curran, and carried to approve the Budget Committee minutes of September 16, 2015, as amended.

**Updates**

County Administrator Mitch Alger distributed the cumulative list of all the budget changes he has made as a Budget Officer since the last few budget meetings. Mr. Alger was open to discussion and questions regarding the list. County Treasurer Terri Ross noted at the top of page two, it shows the net change to the levy from the August 19, and 21, 2015, Budget meetings. Ms. Ross stated there is a decrease in net change A from where it started. She also highlighted the 2015 levy, and the current 2016 draft levy. Ms. Ross stated by calculating the cap at 0.75 percent times the 2015 levy base, the County will only have \$224,000. She also stated the other changes on the list are what they had to do to the other funds to ensure they are balanced.

Mr. Alger highlighted Solar City. It was originally in the 2015 Budget for a full year, it has been pro-rated to three months. The Planning and Development budget has been readjusted based on some of the changes that have been made to the economic development budget. Some of the money has been moved to contractual services. Ms. Ross stated one of the big items is the retirement system. This figure is based on the second and final estimate for the County bill, and the County was able to take out approximately \$700,000. Chairman Crandall asked about the pilots. Ms. Ross stated it was the adjustments to the pilots that they have, and there is \$66,000 in the budget for pilots. She stated there will be another slight adjustment because they recently found out about another pilot from 2010 that they were not aware of. It is in the County's favor. Ms. Ross said the solid waste calculation was the result of the conversation at the last meeting. Mr. Alger stated that calculation represents the worst case scenario.

Mr. Alger had a couple of items he wanted to discuss in further detail and receive feedback from the committee. The first item was capital projects. He spoke of two projects; the first one is renovations in the County Clerk's area. The asbestos testing results were positive. Currently, there is \$67,000 budgeted for carpet, paint, and furniture. The cost will increase because of the asbestos. Legislator Fanton asked where the asbestos is located, and can it be

covered. Ms. Ross stated she believes it is in the ceiling and the floor, and is not sure if it can be covered. Mr. Alger believes it may be in the tile. Legislator LaForge stated he was willing to look at the report, since he has experience reading these types of reports. Ms. Ross stated the Department of Public Works has the report. Legislator Curran asked if it was the whole Clerk's room. Mr. Alger replied he believes it is the whole room and down below. Mr. Alger also commented that they have done projects in that area in recent years, and there may be other space needs that need to be addressed before this project. The second project is the ground floor break room the Department of Social Services uses for foster care and visitation. This area has also been tested for asbestos. The County is waiting for the test results. Mr. Alger stated he doesn't have a total cost to renovate this space. He also pointed out that the Department of Social Services does have some funds in their budget to offset some of the costs. Mr. Alger commented the Department of Social Services project helps with their space needs. Chairman Crandall stated spaces needs for the Department of Social Services has been on the list since he has been here, and it still needs to be addressed. He also said it should be a priority. Chairman Crandall asked if the Department of Social Services project could be addressed with this year's funds. Mr. Alger stated he has not looked at using this year's funds, but knows there is not a lot available. The projects can also be tentatively put in the 2016 Budget until the exact costs of the projects are determined.

The second item Mr. Alger wanted to discuss was sales tax. He stated the County still has six payments for the rest of the year. For the 2015 Budget and 2016 Budget, \$20 million is in the budget for sales tax. Mr. Alger stated we may run a little short of the \$20 million this year. He is hoping this is not the case, but wants to discuss the issue. Mr. Alger recommends to leave it "as is" for right now, and continue monitoring it for this year. Ms. Ross stated there is a public hearing, and the Budget for 2016 will not be adopted until the end of November. By then, the County will have four more payments, and may have a better idea of the sales tax.

Mr. Alger handed out the tax cap regulations and Ms. Ross discussed the calculations. Ms. Ross stated the tentative tax levy is \$31,129,668. Per the State calculator, the tax levy should be \$30,885,000. The Worker's Compensation, Real Property Tax Services, and Estimated Charge Backs are deducted, which leaves the maximum estimated budgeted tax levy allowable at \$30,442,240. Currently, the County is at \$31,129,668, which is about \$687,000 over the cap. According to the State, the County was allowed to grow \$473,000. The County needs to make up the difference, and have a little extra money as a cushion. Mr. Alger stated his goal is to have less than \$1 million appropriated from the fund balance. In 2014, there was \$500,000 in the fund balance, and at the end of the year the County did not use any of it. Ms. Ross highlighted a \$200,000 rollover last year because the County came in under the cap. This money can be used in part of the calculation, but the County will still be over \$500,000. Mr. Alger noted although they have not used the fund balance in the past, the sales tax issue may use some of those funds if it falls short this year. Chairman Crandall asked what would they put into the fund balance. Mr. Alger stated he is not sure, but is looking at \$750,000.

Ms. Ross distributed the tentative 2016 Equalization and Apportionment Table. The final table will be released on October 14, 2015. She noted that some of the towns are not at 100 percent; some of the towns need to do re-evaluations. The taxable rate on the table will decrease because it does not include any appropriate fund balance. Mr. Alger stated right now the taxable rate would be \$16.46. Legislator Fanton requested to see what the taxable rate calculations would look like if they appropriated \$750,000 or \$1 million from the fund balance. Chairman Crandall stated it has decreased the past five years. For example in 2010, the taxable rate was \$16.92 per \$1,000 of assessed value; in 2011 it was \$16.91; in 2012 it was \$16.86; in 2013 it was \$16.70; and in 2014 it was \$16.46. Mr. Alger and Ms. Ross stated they

would calculate the numbers, and do a tentative budget summary. Legislator Fanton asked if the assessed value increase is 1 or 1.5 percent. Ms. Ross stated it is about 2.3 percent.

Mr. Alger stated he would release the 2016 Tentative Budget soon. Legislator Graves noted the County should cut the 2016 Budget where they can. Chairman Crandall asked if a statement will be released, and Mr. Alger replied yes.

### **Adjournment**

There being no further business to come before the Committee, the meeting was adjourned at 9:48 a.m. following a motion by Legislator Curran, seconded by Legislator Fanton, and carried.

Respectfully submitted,  
Rebecca Scott, Secretary to the Clerk of the Board  
Allegany County Board of Legislators