

BUDGET COMMITTEE

March 16, 2016
NOT APPROVED

Committee Members Present: C. Crandall, K. LaForge, P. Curran, D. Healy, J. Hopkins
(Absent: D. Fanton, D. Root)

Others Present: L. Ballengee, D. Decker, K. Graves, R. Hollis, J. Margeson, B. Riehle, T. Ross, R. Scott

Media Present: No media present.

Call to Order: The meeting was called to order at 11:06 a.m. by Budget Committee Chairman Curt Crandall.

Approval of Minutes

A motion was made by Legislator Curran, seconded by Legislator Hopkins, and carried to approve the Budget Committee minutes of February 17, 2016.

Sales Tax Report

County Treasurer Terri Ross distributed the Sales Tax Report reflecting receipts through March 16, 2016, totaling \$3,235,862.20. Receipts for the current period indicate a decrease from one year ago for the same period. Ms. Ross reported they are down about \$329,000 from this time last year. She noted gas prices are down. She stated her only concern is that this is about where they were last year at this time, and they ended the year below the budget target. Ms. Ross is concerned they may be below budget more than last year. She wants them to be mindful of the sales tax number because \$20 million is budgeted.

Legislator Hopkins asked about a meeting Ms. Ross attended since the last Budget Committee meeting. Ms. Ross stated she was named to a subcommittee, and they will meet with the State. There are about four people on the subcommittee. This subcommittee will focus on reporting including what they get for information and adjustments. The subcommittee has not met yet. She thinks they may meet in Syracuse at the Finance School in May. Ms. Ross stated Albany County had issues with seven dealerships and zip codes. The dealerships owed Albany County and other counties suffered. Chairman Crandall talked about a similar issue with the 911 cell phone revenues, and where they are credited. Ms. Ross stated sales tax is collected on cell phones, and they are not sure if it goes by area code or zip code.

Ms. Ross distributed the Sales Tax Receipts for Calendar Year 2015 for all of the New York State Counties. Ms. Ross highlighted the column Cumulative 2015 CASH by highest receipt to lowest receipt. On the back of the report, it shows the percent change. About half of the counties had an increase, and half of the counties had a decrease. They range from 0.1 percent to 6.7 percent decrease. The report shows that Allegany County is not alone.

Chairman Crandall asked if any counties receive a specific breakdown by municipality. Ms. Ross stated the only ones that get a better breakdown are the cities that have their own tax and preempts. She believes cities have the option to preempt sales tax. Chairman Crandall commented the increase in Steuben County was because of a shift in sales tax collection. The sales tax that was generated in the City of Hornell shifted to the County.

County Treasurer Terri Ross distributed the 2016 schedule for one page department budget reports to the Budget Committee. Ms. Ross reported Department of Social Services Commissioner Vicki Grant stated her department will not be available on July 20, 2016. There

was discussion of rescheduling the report for August since they are a large department. Ms. Ross stated she will contact Ms. Grant, and ask about the August Budget Committee meeting date.

Sample Reports

Ms. Ross distributed sample department reports by cost center. Chairman Crandall commented it is important for them to understand the budget and different programs, including the costs within departments. The first report she reviewed was the Department of Health. The reports are for the 2015 fiscal year. The prior year-to-date (2014) is also included on the report. She noted each page shows a different cost center for each account in the Health Department. The reports include any revenue and expenses, and there may be no revenue for some programs. For example, the Medical Examiners and Coroners Program doesn't have any revenue, so it is all County cost. Ms. Ross stated it is important to remember that some of the programs' personnel are not covered by funding. Personnel and fringe are not included unless a grant covers some of it. So, when a program is analyzed, the personnel and fringe need to be taken into account. The point ones and point eights in the budgets are personnel and fringes. Fringe (point eight) is included in the General Fund Budget for everyone unless it is covered by a grant. Ms. Ross noted employee salaries will be shown in point ones. If they are a contracted employee or service, they would be in point fours. Ms. Ross said when a department submits a budget, the budget reports are expanded, and then they will list the contracts under certain accounts. They will not show up after that, it is only during budget time that the contracts will be individually listed. Ms. Ross said equipment is listed as point twos. The last page of the report shows the entire department including revenue and expenses.

Ms. Ross stated they contract with Maximus to come in on an annual basis, and do the cost allocations. Some of the departments need that information for their State and Federal reporting. She added they will also look at indirect costs to the program. Ms. Ross said Maximus comes up with a calculation the departments can use.

Ms. Ross also distributed and reviewed the Department of Public Works (DPW) Report and the General Fund Report including the Treasurer's Office, County Clerk's Office, and County Attorney's Office. She noted part of the DPW budget is in the General Fund, the County Road Fund, Road Machinery, and the Capital Fund. So, the DPW covers four funds. She only distributed the DPW General Fund. DPW's admin is in the General Fund and that includes office staff, Building and Grounds, and Solid Waste. She noted they have several payroll departments. She also said Solid Waste includes everything except fringe. Legislator Hopkins asked where fringe is budgeted. Ms. Ross stated they are in General Fund accounts. At the end of the year, they look at the fringe against what was spent in salaries to come up with a percentage. They use a percentage to estimate fringe.

Ms. Ross stated her department doesn't have a lot of revenue. She stated she has some tax revenue that offsets her budget. Ms. Ross stated the County Clerk has more revenue than expenses, and that goes back to the General Fund. The County Attorney's office also generates revenue. She noted most of the departments cost the County money. Chairman Crandall stated that the County is different than a business because they provide services, and the services cost money. He added they are different because they don't produce things.

Chairman Crandall discussed the local share of programs, mandated and non-mandated programs, and the County net cost. He added some things are not mandated, but are necessary. For example, the County Attorney is not mandated but is needed. Chairman Crandall asked how much detail the Committee would like to see. Ms. Ross stated the samples she distributed are what the Departments use to do their one page reports. Chairman Crandall

stated the one page report is extremely valuable. The report allows the Committee to know if they are on track, and if not why.

Legislator Decker stated it looks like the Committee, County Treasurer Terri Ross, and the County Administrator, have done a lot of work to make the budget information understandable. Chairman Crandall reminded everyone as Legislators they are required to vote on the Budget, and are asked about taxes and expenses all of the time. Legislator Graves stated he likes to look at percentages, and break the year into quarters. He looks at the percentages, and how much they are spending. For example, if they have spent 50 percent of the budget by the end of March, he knows there is a problem. Ms. Ross stated she runs a different report at the end of the quarter to look at percentages. She said it is easier to look at expenses quarterly, but it can be hard with revenue. Legislator Healy commented the process they went through today was good. He had a question about the pilots. Ms. Ross stated they have their own separate account, and are posted as they are paid.

Good of the Order

Chairman Crandall stated he was contacted by the *Cuba Patriot*. They received a report from the Comptroller's Office on County Governments, and were going to do an article. The *Cuba Patriot* was going to give Allegany County's rank for sales tax and property tax rate, and asked if he would like to give a comment. He was thankful for the opportunity to give a reply. He took what may be seen as a negative and kept it positive.

Adjournment

There being no further business to come before the Committee, the meeting was adjourned at 12:03 a.m. following a motion by Legislator Healy, seconded by Legislator Curran, and carried.

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