

**Budget and Capital Committee
January 14, 2008
3:30 p.m.
Scott Heyman Conference Room**

Approved 2-11-08

Present: N. Shinagawa, J. Dennis, K. Herrera, M. Hattery
Excused: T. Joseph
Staff: D. Squires, Finance; S. Whicher, N. Jayne, M. Lynch, County Administration; B. Grinnell-Crosby, Health Department; M. Pottorff, Legislature Office
Guests: T. Ashmore, Ithaca Journal

Call to Order

Mr. Shinagawa called the meeting to order at 3:30 p.m.

Chair's Report

Mr. Shinagawa had no report.

Finance Director's Report

Mr. Squires distributed information pertaining to Tompkins County's sales tax receipts and stated today the final payment attributable to 2007 was received. He said 4th quarter collections were substantially higher than prior years and the amount collected was approximately \$500,000 above the budget estimate for the year. Mr. Squires also reported on the General Fund and said the County's cash position held its own in 2007. A bid confirmation summary sheet was also distributed to the Committee; the first bid for a note in the amount of \$11,000,000 received an interest rate of 2.843465%, and the second bid for notes in the amount of \$2,500,000 received an interest rate of 2.898938%. Mr. Squires had expected a 3.0% rate and attributes the lower rate to the County's positive bond rating.

Mr. Squires reported the County ended the year with a significant balance remaining in the Contingent Fund. He also said there are many known budget problems that may result in shortages in accounts. It is too early to tell what is going to need to be covered by the remaining funds because there are a lot of transactions that still need to take place. Mr. Squires said he is optimistic however, that the shortages can be covered internally.

County Administrator's Report

Mr. Whicher reported the State has announced it will be starting retroactive billing from 2001 in two areas – State Training School and Delinquent care through the Department of Social Services. These services relate to increased boarding costs for juveniles in State institutions. He said the person at the State who had been doing this billing retired six years ago and upon discovering counties had not been billed for past increased, they have decided to bill counties for that period of time that was not billed. Specific dollar amounts are not known at this time; however, there could be significant financial impact. Mr. Whicher noted Tompkins County is fortunate to have the programs that are presently in place because they have kept expenses down in this area. He also noted NYSAC is involved with this issue.

Public Information Report

Ms. Lynch reported on a video project being produced by Tompkins Cortland Community College students, and said the final dvds are being delivered today. The Public Information Program is also working on materials for the Assessment Revaluation.

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Budget Process/Calendar Discussion

The Committee discussed the calendar and process. There Committee thought the process used for the 2008 budget worked well. *Mr. Hattery said he would like to explore instituting a policy pertaining to mid-year funding requests from an agency or non-County department.*

Mr. Shinagawa spoke to the timing of the 2008 budget process and said a similar calendar is being proposed for the 2009 budget process. At this time he invited Committee members to comment and made suggestions on the process and calendar. Mr. Dennis asked when program committees would be reviewing departmental budgets. Mr. Whicher said while there is not a set time in the budget calendar, departments should be presenting issues of budgeting concern to program committees in June. Mr. Hattery said the current process downplays committee involvement in the budget process and suggested the issue be brought forward to program committees. Mr. Hattery suggested that Mr. Whicher or Mr. Shinagawa articulate to program committees and department heads that there is a time to present program committees with budget information.

Ms. Jayne said while it was hoped there would have been a better response to the budget survey that was circulated to Legislators and department heads, comments received were generally positive about the 2008 budget calendar and process. Committee members also thought the process and calendar worked well. Ms. Jayne distributed a copy of the County's Fiscal Policy for members to review in advance of a future discussion.

Mr. Hattery presented the Committee with the idea of going into the retreat with a proposal containing a target or target range. Mr. Shinagawa said he has found thinking about and discussing extremes to be very helpful and does not want to prevent those discussions from taking place.

Ms. Herrera said she would be open to discussion of this and would find the discussion valuable but finds the idea of this Committee dictating a goal to the full Legislature troublesome. Also, she is not sure this Committee would be able to reach a consensus on this. Mr. Shinagawa suggested asking the County Administrator to provide additional alternatives instead.

Assignment Members to the Audit Subcommittee

The following members were assigned to the Audit Subcommittee:

James Dennis
Kathy Herrera
Nathan Shinagawa

Discussion of Committee Goals

The Committee began a review of the 2007 goal and discussed possible goals for 2008.

2007 Budget and Capital Committee Goals

Goal 1—Develop a 2008 Budget that supports community needs while improving the fiscal health of the County.

Problem/Need: To provide quality public service to residents, for the common good, in the most cost-effective manner possible.

The Committee agreed to continuing this as a goal for 2008. *Mr. Hattery agreed to work on developing strategic objectives to include a statement on the work of the Committee on Core*

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Performance. There was discussion of the meeting held in prior years with the Community Advisory Panel; it was suggested that that group be invited to reconvene with an invitation to be extended to all Committee members. It was also suggested that three community budget forums may not be needed. It was also suggested that this Committee work with the Public Information Officer and the Public Information Advisory Board to develop a proactive public information campaign to address the revaluation. Mr. Whicher said he would not recommend Legislators get involved in the revaluation during the informal hearing process. Mr. Hattery suggested Legislators hold public meetings in their districts. Mr. Whicher strongly encouraged Legislators to keep all discussions focused on the tax levy and not the tax rate.

Goal 2—Initiate the development of a 3-year financial plan that includes both fiscal parameters and spending priorities, and that is driven by inflation-based expectations.

Problem/Need: To gather organizational consensus regarding a plan for the medium-term fiscal health of the organization that sets a foundation for long-term community affordability of government services for the common good.

Mr. Shinagawa suggested changing this goal to reflect a desire to look at medium-range problems, and doesn't think a three-year financial plan needs to be created and tied to anything in particular. Ms. Herrera said the County is in the middle of a three-year plan at the present time and it is our responsibility to look at it and revise it as necessary. Mr. Hattery suggested revising the language to read "*Refine development of a three-year financial planning scenario.*" It was also stated that there is a need to identify and tie the capital program to the budget process.

Goal 3—Ensure efficiency of current resource allocation and management systems.

Problem/Need: To maintain and improve resource management practices that supports the provision of quality public service to residents, for the common good, in the most cost-effective manner possible.

It was also suggested that the Committee examine the Reserve Fund Balance and whether or not to increase the percentage. Ms. Herrera said she thinks this is a subject that should be taken up by the full Legislature at the retreat.

Mr. Hattery also said he will be bringing forward to the Committee a proposal to change the local law on Room Tax pertaining to economic development. Ms. Herrera said she would like to talk to the Strategic Tourism Planning Board to explore some creative ways to go about this. She said she is open to having a discussion but urged caution with this issue.

Approval of Minutes of December 10, 2007

It was MOVED by Mr. Hattery, seconded by Ms. Herrera, and unanimously adopted by voice vote by members present, to approve the minutes of December 10, 2007. MINUTES APPROVED.

Adjournment

The meeting adjourned at 5:04 p.m.

Respectfully submitted by Michelle Pottorff, TC Legislature Office