

Budget Capital, and Finance Committee
Regular Meeting Minutes
Monday, January 25, 2010 3:30 PM
Scott Heyman Conference Room

Approved 2-22-10

Present: J. Dennis, K. Herrera, P. Stein, B. Robison
Excused: P. Mackesey
Legislators: M. Lane
Staff: J. Mareane, N. Jayne, M. Lynch, County Administration; D. Squires, Finance; B. Grinnell-Crosby, Health Department; P. Carey, DSS; M. Pottorff, Legislature Office
Guests: S. Shackford, Ithaca Journal

Call to Order

Mr. Dennis called the meeting to order at 3:32 p.m.

Chair's Report

Mr. Dennis said although this meeting is not filled with a lot of action items, this Committee will be discussing the three-year budget forecast and the Governor's budget. He distributed 2009 Committee goals for members to review and said the Personnel Department will be circulating goals as well. Mr. Dennis welcomed new members to the Committee. He said during this year the Committee will explore the best possible ways to deliver services to County residents at the lowest cost. He noted the County tax is 20% of the total tax burden placed on the County taxpayer.

Finance Director's Report

Mr. Squires said the County has been in litigation and bankruptcy court for several years with Lakeside Nursing Home. He had hoped the matter would have been resolved by the end of 2009, but it was not and the total amount due is \$451,000. He reported they also have not paid their school taxes and the bankruptcy amount is now \$451,000. Mr. Squires said Lakeside did receive a grant from New York State; however, the money is on hold. The County's bankruptcy attorney is pursuing the matter and he will keep the Committee informed.

Mr. Squires distributed a Contingent Fund report and said although there was a balance remaining at the end of 2009, he has identified obligations that need to be met and that exceeds that balance.

Report from the County Administrator

Mr. Mareane said he did not have a report on items other than those included on the agenda.

Public Information Officer's Report

Ms. Lynch reported the Public Information Advisory Board will meet Thursday and will be talking about outreach for the census and will also be talking about public information related to the 3-year budget forecast.

Discussion Item (DOC ID: 1741): Three Year Forecast

Mr. Mareane spoke of a draft document that has been circulated that is a forecast of the budget situation for the next three years, a time that will be very challenging for many reasons. He said the purpose of this discussion is to gather input on the instrument and to make a best effort at identifying where the budget is going to take Tompkins County over the next few years. He said the forecast addresses the key variables that drive the County's budget.

Mr. Mareane demonstrated by using an overhead projection screen what assumptions are contained in the forecast and how changes in those assumptions and variables impact property taxes for the next three years. He spoke of pension costs and said this will be a major driver in the County's budget for the next few years. He is expecting only modest increases in health costs with the hope that the Health Insurance Consortium will be running very soon. He explained other expense and revenue areas contained in the forecast and the basis behind each estimate; he noted the figures will continually change as information is received, particularly as the State Budget is finalized.

Mr. Mareane said he hopes this model will assist members in understanding what drives the County's budget.

Mr. Stein asked if Mr. Mareane had any knowledge of consideration being given to capping or amortizing of pension costs. Mr. Mareane said that may be a possibility and his staff is working on compiling figures on borrowing costs. He noted this would be a very big policy issue that would need to be discussed by the Legislators.

Mr. Lane spoke of the State Budget and said he is doubtful the Budget will pass with the large number of cuts that are being proposed to school districts. He believes the possibility still remains that more cuts will be passed along to counties.

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Discussion Item (DOC ID: 1742): Preliminary Assessment of the Governor's Proposed Executive Budget and Deficit Reduction Plan

Mr. Mareane said as many are aware the State budget was determined in late Fall to be out of line and work began on a deficit reduction plan to balance the 2009 budget. Much of that plan includes a number of one-time reductions. He provided an overview of the following reductions with a direct impact on Tompkins County of approximately \$250,000:

- STAR reimbursement to the Assessment Department to administer the program (12.5% - \$19,000); very little can be done to offset this mid-year cut as the County must still administer the program.
- Assigned Counsel Program – maintenance of aid reimbursement (12.5% - \$48,000); a mandated program with little County control over expenses.
- District Attorney's Office – cut to salary reimbursement (\$53,589)
- Health Department – Article 6 payments delayed (figure not yet known)
- Mental Health - \$17,500
- Office for the Aging – Reduction in the “College of Lifelong Learning” program - \$1,400
- Youth Services – OCFS State Aid payments - \$27,438
- Tompkins Cortland Community College - \$400,000. The College should be able to cover this reduction in expenditure reductions and tuition revenue from increased enrollment

At this time Mr. Mareane reviewed the document entitled “NYSAC Analysis – 2010-2011 Executive Budget Proposal” with the Committee. He said the Governor has put forward a series of proposed mandate relief measures, some of the them could be meaningful to counties. There is a four-year moratorium on future unfounded mandates, repeal of Wick's Law for school districts, procurement flexibility, Office of Court Administration reforms, and allowing local governments to amortize a portion of their pension costs for a period of ten years. One item of special note is the Medicaid cap of 3% remains in effect.

Ms. Carey said there are contracts at OTDA Office of Temporary Disability Assistance has where the money flows into the County but not directly to DSS but to other agencies. She said the Governor is zeroing out all of that funding. This is mostly related to employment services and the Wheels-at-Work Program contracts. She said although this is not part of the Department's core budget it funds programs and services that assist people with job searches and training.

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Discussion Item (DOC ID: 1743): 2010-11 Budget Document Format

Ms. Jayne distributed draft documents for the purposes of discussion of the format and content of budget documents that will be used during the budget process. The format is different from what has been presented in past years and is intended to be easier to read by Legislators, staff, and the public and to also reduce the amount of paper used during the budget process. She explained how information is submitted and then compiled and presented to the Legislature.

Mr. Stein said he finds the format in portrait appearance rather than landscape is easier to read as is the larger font. He asked that FTE's by program be identified in the documents. Mr. Robison said he is interested in receiving information on what County programs and services are mandated. Ms. Herrera said finds the document in the revised format more accessible to the public and Legislators. Ms. Lynch said the Citizen's Guide to the Budget will also be in a revised format.

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Discussion Item (DOC ID: 1744): Self Insurance Fund

Mr. Squires said the County is self-insured for any risk up to \$1 million per claim and anything over that amount is protected by insurance. He said the County has maintained a separate fund that is supported by the General Fund with annual contributions and maintains a balance of \$1 million. Mr. Squires said at the end of the year the County suffered a judgment of \$500,000 that materially depleted the self-insurance funds. Typically, the County pays out approximately \$200,000 in claims each year and replenishes the fund by the same amount, which allows the balance to remain steady. He said there needs to be some future adjustments to build the fund back up to the \$1 million level.

Mr. Mareane spoke of the Forecast tool he spoke of earlier in the meeting and said that includes an annual appropriation of \$120,000 for a three-year period to replenish the self-insurance fund.

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Discussion Item (DOC ID: 1745): Sales Tax Report

Mr. Squires reviewed the sales tax distribution schedule and said the schedule represents the total sales tax that is sent to Tompkins County and municipalities, and noted there is a variance in the growth between inside and outside the City. Mr. Stein said he would like to meet with Mr. Squires to discuss the formula and distribution of sales tax funds.

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Discussion Item (DOC ID: 1746): Centralized Property Tax Collection Study

Mr. Squires reported the County received a grant from the New York State Office of Real Property Tax Services in the amount of \$25,000 to evaluate the creation of a centralized property tax

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information collection. He said there is an additional \$25,000 available if the County chooses to implement the Study. He said the State was anxious for Tompkins County to participate in the Study because it has centralized assessment. He also said there is not a lot of enthusiasm at the town level to implement a centralized system, although there is some enthusiasm for the County to invest in tax collection systems at the local level.

Ms. Herrera said when this was discussed approximately 5 years ago this was found to be unfeasible. She spoke of the current economic situation and suggested the Tompkins County Council of Governments (TCCOG) could discuss and consider the concept of centralized property tax collection. Mr. Squires noted that the 14 school districts that the County is responsible for collection of still would not be covered. He spoke of the problems with the current collection system that could be resolved with one uniform system. Other members agreed this issue should be discussed with TCCOG members.

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Appointment

It was MOVED by Mr. Dennis, seconded by Ms. Herrera, and unanimously adopted by voice vote, to appoint Michael Lane as the TC3 liaison from the Tompkins County Legislature for 2010.

Adjournment

The meeting adjourned at 5:07 p.m.

Respectfully submitted by Michelle Pottorff, TC Legislature Office