

Approved

**Budget and Capital Committee
May 29, 2008
3:30 p.m.
Scott Heyman Conference Room**

Present: N. Shinagawa, M. Hattery, P. Mackesey, J. Dennis, K. Herrera
Legislators: M. Koplinka-Loehr, M. Robertson, D. Kiefer, C. Chock, M. Sigler
Staff: N. Jayne, M. Lynch, S. Whicher, S. Martel-Moore County Administration; J. Hughes, Assigned Counsel; B. Grinnell-Crosby, A. Cole, Health Department; D. Squires, Finance; M. Pottorff, Legislature Office; A. Fitzpatrick, J. Thomas, Personnel Department; P. Buechel, D. Wolf, U. Mukherjee; Department of Probation and Community Justice; A. Lemaro, Facilities; J. Mattick, Workforce Development; L. Holmes, Office for the Aging, E. Marx, Planning and Public Works; L. Shurtleff, Emergency Response; R. DeLuca, Mental Health; S. Dewitt, Board of Elections
Guests: T. Ashmore, Ithaca Journal; K. Schlather, Human Services Coalition; R. Driscoll, Citizen

Call to Order

Mr. Shinagawa called the meeting to order at 3:31 p.m.

Changes to the Agenda

Mr. Shinagawa announced the format of the agenda has been revised to include a breakup into groups to look at three areas: short-term reductions, long-term strategies and tools, and common criteria.

Setting the Stage: Framing the 2008–2009 Financial Picture

Ms. Jayne distributed a document entitled 2009 Budget Preparation/Financial Overview. She said this is the same information that department heads reviewed at their last meeting and was also presented to the Legislature at its retreat. The document includes the estimates used to prepare scenarios for the Legislature's April 29, 2008 budget retreat. The maintenance of effort budget represents an approximate 8.16 tax levy increase and was used as a baseline for Legislators to recommend a tax goal of three percent. In addition to the table below, information containing further explanation of each of the items was also distributed.

Budget Item	% Tax Levy Increase	Explanation
1. Capital	1%-\$.3M	\$.9 Increase in Capital/Debt Cost. Health Department and Road Program (use \$552,000 fund balance).
2. State Budget's 2% Reduction	2%- \$.7 M	The Legislature cut county state aid across the board by 2% effective April 1, 2008
3. Mandates (projected)	2.4% - \$.8M	
4. Facilities	.5% 0 \$175,000	1. 1% Increase in Facilities – Utility costs 2. \$50,000 Building Improvements
5. Insurance Reserves	.14% - \$50,000	\$50,000 Increase over last year

6. Deferred Tax Levy	.15% - \$52,000	1. Planning and Probation (TILOR) 2. Elections \$16,820
7. Salary and Fringe	2% - \$.7 M	Fringe costs are expected to be less than last year – estimate is \$.8 M less than 2008. Salary increase for 2009
<p>REVENUE: We are anticipating \$1M increase in sales tax and a \$450,00 reduction in unallocated revenues.</p>		

Mr. Shinagawa said he and Mr. Whicher met to discuss possible ways to make up the \$2 million gap and thought this could be achieved in the following way: one-third in budgeting tools and financing options; one-third by use of the Fund Balance or with short term funds (sunsetting programs); and one-third through program reductions and short-term reductions.

Mr. Whicher said the pressure from the capital program really starts to recede in about five years and suggested it would be good if a gap could be bridged between 2009-2013; however, he didn't think that would be possible given the long period of time. He also noted the State budget impacts go to 2009 as well. He said this has to be taken very seriously and stressed it could be worse next year. Ms. Kiefer spoke to the five-year period and said she would consider bridging a gap of two to three years in the hope that something positive would come from the federal government.

Mr. Shinagawa spoke to the process moving forward; review of major budget concerns and capital requests will take place throughout June with a tentative budget being available by the beginning of September. He said the setting of a department target will likely take place at the June 17 Legislature meeting.

Mr. Shinagawa said numerous lists containing ideas for short-term reductions have been circulated prior to this meeting with various origins. He has heard from many department heads that Legislators have difficulty prioritizing programs. He said there are criteria that can be developed that are not program-specific that can be applied to most of the entire organization. It would be useful going forward if everyone is looking at the same criteria when looking at program.

Ms. Zahler said there had been consternation about the "list" that had been circulated and asked how much of a standing items contained on the list actually have. Mr. Whicher said the list is a compilation of ideas collected over a several year period, with no recommendation or ranking of any of them. He said the list is for reference purposes and is not a "hit list". Ms. Herrera reassured department heads that several of the items contained on the list had no meaning to Legislators and that the list carried no weight.

Mr. Marx said staff was asked to go through a similar exercise a year ago and many of the items brought forward were contained on the list. He questioned why those ideas were never evaluated and questioned why departments are now being asked to repeat the exercise. Mr. Whicher said this is the same process and an attempt to talk about those items now.

Mr. Koplinka-Loehr said if this meeting were not happening, the Budget Committee would be looking at strategies as its has in the past following the meeting at which a goal is set. Although many of the strategies are already on the table this is an attempt to ideas on the table of what particular strategies the Legislature can use in moving forward.

From 4:05 p.m. to 4:35 p.m. those present were divided into three groups. The following document represents to the outcome of those group discussions:

<p>Short-Term Reductions Examples: Use fund balance Delay Health Department cost of capital program Increase fees</p>		
<ul style="list-style-type: none"> ▪ 4- 9 hour days administrative offices ▪ Reduce to 35 hr every department ▪ Hiring freeze ▪ Freeze management salaries ▪ Early retirement incentives ▪ Sell excess county property (onetime) ▪ Voluntary reduction /staff hours ▪ Leverage grant dollars 	<ul style="list-style-type: none"> ▪ Look at fuel costs ▪ Voluntary reduction in hours ▪ Reevaluate the disability policy ▪ Aggressively talking with your Senators and Congress Representatives (Pushback) 	<ul style="list-style-type: none"> ▪ Delay some expenditures and projects (separate from the capital program) ▪ Re-evaluate the capital program ▪ Explore within the department's cushions ▪ Look at Ithaca car share ▪ Re-calibrating heating and cooling ▪ Voluntary flex schedule ▪ Coordinating voluntary surplus funds to assist in budget deficit
<p>Long Term Strategies/Tools Examples: <i>Attrition and Succession Planning</i> <i>Workforce Assessment</i> Identify at least 1 reoccurring cost that can be eliminated over the long-term</p>		
<ul style="list-style-type: none"> ▪ Change public expectation (some services will take longer) ▪ Health insurance: Offer different package to new hires (less expensive) ▪ Hiring freeze ▪ Consolidate departments programs ▪ Fleet analysis ▪ Flexible timer work ▪ Leveraging grant money ▪ Attrition and Succession Planning <ul style="list-style-type: none"> ○ Cross training ○ Early retirement incentives ○ Expand more partnerships 	<ul style="list-style-type: none"> ▪ Long reduce level of requirement ▪ Long range technology & reduce staff ▪ Ask department heads to identify least impact cuts ▪ Performance and the # of people served (example WIC) ▪ Getting data about impact ▪ Changing service expectations – alternative levels of service deliver in highway some roads won't be paved that are paved look for alternative materials. 	<ul style="list-style-type: none"> ▪ Explore inter-municipal co-operations (purchasing) ▪ Performance evaluation of programs ▪ Strive for common reporting practices and framework for decision making ▪ Build analysis about property tax burden across all property taxing jurisdictions ▪ Community advisory panel for long-term strategies ▪ Identify program reductions Leg can support
<p>Common Criteria</p>		
<ul style="list-style-type: none"> ▪ Looking for mutual gains ▪ Amount of state/federal dollars leveraged ▪ Return on investment – does it leverages other resources 	<ul style="list-style-type: none"> ▪ Evaluate who can best provide the service ▪ Is there political support/will ▪ Principles of what the County should be 	<ul style="list-style-type: none"> ▪ Inter-municipal collaboration and agreements ▪ Alignment with county's mission ▪ Identify the purpose of county government

Adjournment

The meeting adjourned at 5:00 p.m.

Respectfully submitted by Michelle Pottorff, TC Legislature Office