



AGENDA
Budget Committee
November 25, 2019
7:00 PM

I. COMMUNICATIONS

II. RESOLUTIONS, MOTIONS AND NOTICES

1. Resolution issuing report upon review of proposed 2020 budget and making recommendations to the Full Legislature

III. OLD BUSINESS

IV. NEW BUSINESS

V. ADJOURNMENT



CHEMUNG COUNTY ROUTE SLIP * PERSONNEL REQUISITION

Resolution issuing report upon review of proposed 2020 budget and making recommendations to the Full Legislature

Resolution #:

Slip Type: OTHER

SEQRA status

State Mandated False

Explain action needed or Position requested (justification):

CREATION:

Date/Time:

11/22/2019 11:20:28 AM

Department:

APPROVALS:

Date/Time:

Approval:

Department:

ATTACHMENTS:

Name:

Description:

Type:



[2020 Proposed Budget Review -
_Report of Budget Committee.pdf](#) Report

Cover Memo



CHEMUNG COUNTY LEGISLATURE

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DAVID L. MANCHESTER
CHAIRMAN

CYNTHIA G. KALWEIT
CLERK

November 20, 2019

To: Chemung County Legislators

From: Cynthia Kalweit, Clerk of the Legislature

Attached herewith please find the report I received from the Budget Committee proceedings of the budget review sessions held on the County Executive's 2020 Proposed Chemung County Budget, submitted pursuant to Article V, Section 505 of the Chemung County Charter

- District 1
JOHN C. PASTRICK, JR.
- District 2
DAVID L. MANCHESTER
CHAIRMAN
- District 3
L. THOMAS SWEET
- District 4
JOSEPH C. BRENNAN
- District 5
MARK MARGESON
- District 6
BRIAN S. HYLAND
- District 7
CHRISTINA SONSIRE
MINORITY LEADER
- District 8
PEGGY L. WOODARD
- District 9
JOHN BURIN
VICE CHAIRMAN
- District 10
MARTIN D. CHALK
- District 11
ROBERT BRIGGS
- District 12
BILL McCARTHY
- District 13
SCOTT DRAKE
- District 14
MICHAEL S. SMITH
- District 15
RODNEY J. STRANGE
MAJORITY LEADER



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District 15
RODNEY J. STRANGE
MAJORITY LEADER

Cynthia G. Kalweit, Clerk
Chemung County Legislature
203 Lake Street
Elmira, NY 14902-0588

Dear Mrs. Kalweit:

Pursuant to Article V. Section 505 of the Chemung County Charter, I herewith submit the attached report concerning the 2020 Recommended Chemung County Budget, consisting of the report of the proceedings of the Budget Committee for November 12, 13, 18, and 19, 2019.

Sincerely,

David L. Manchester, Chairman
Budget Committee
Chemung County Legislature

/cgk

enc.

Minutes of Budget Workshop #1 held in the Legislative Chambers, 5th Floor Hazlett Building, 203 Lake Street, Elmira, New York, on Tuesday, November 12, 2019, immediately following the regular meeting of the Full Legislature.

Members and Officials present: David Manchester (Chairman), John Pastrick, L. Thomas Sweet, Joseph Brennan, Mark Margeson, Brian Hyland, Christina Sonsire, Peggy Woodard, John Burin, Martin Chalk, Robert Briggs, William McCarthy, Scott Drake, Michael Smith, Rodney Strange, Bryan Maggs, Steven Hoover, Vincent Azzarelli, Brian Hart

The Chairman of the Legislature called the meeting to order at 8:00 p.m. Mr. Manchester noted that tonight's workshop would provide an overview of the proposed budget, but would not get into specifics. Mr. Manchester turned the meeting over to the Budget Director, Steven Hoover. Mr. Hoover stated that the 2020 proposed budget is a fiscally responsible budget. It is well built, prudent and transparent, he noted. Mr. Hoover encouraged the Legislators to give it a thorough review and ask as many questions as necessary to gain a better understanding of the document and the county's fiscal position. At the request of the Chairman, Mr. Hoover will provide a "tour" of the proposed budget for tonight's workshop. He stated that the County Executive's budget message (pages 1-31 of the budget) is the essence of the budget, noting that most of the information he will review tonight is available there.

Highlights of the 2020 proposed budget include:

- Property tax rate increase of 1%. The current property tax rate of \$6.86 per thousand of assessed valuation will increase to \$6.93 per thousand, which will increase the tax levy by \$945,000.
- The combined proposed levy increase for the general fund, sewer districts, and community college is 3% below the property tax cap.
- Appropriating \$500,000 of Fund Balance as a revenue source.
- Total appropriations for 2020 are up 2.7% as compared to 2019. The largest increases in expenditures for 2020 are distribution of sales tax (6% increase), employee health (medical) insurance (14% increase), and payroll (3.4 % increase).
- 2% increase in sales tax revenues. Gross sales tax receipt have been decreased by the \$256,374 AIM payment.
- Payroll costs have increased 3.4% with Full Time Equivalents (FTE's) up 11
- Union contracts have been settled for Corrections Officers, Sewer Districts, and CSEA employees. Still to settle: Sheriff, Probation, Nurses
- Single Rate salary increase 1%. Mr. Hoover noted that with the increased cost of Health Insurance premiums, some Single Rate employees would actually have less take home pay.
- Pension costs are up 2.83%.
- \$28,585,000 for Capital Projects (\$5,050,794 local share). More bond principal will be paid off in 2020 (\$6,273,595) than borrowed (\$5,831,794).
- Gambling proceeds are up 9%
- Over all utility costs are flat – telephone costs down.
- Room tax revenues are down 7%
- Mortgage tax revenues are down 11%

- Corning Community College enrollment down 8%
- Sewer Districts fund balance almost entirely depleted. Another rate increase will be required to replenish the fund.
- Chemung County Nursing Facility has a structural deficit of \$6 million. The County Executive is recommending not taking the Inter-Governmental Transfer (“IGT”) of \$1.5 million in 2019 and he has not budgeted for the IGT in 2020.
- Mr. Hoover pointed out that Chemung County has the highest Medicaid costs as a percentage of the levy in the state.
- NYS Criminal Justice Reform could cost the county upwards of \$250,000 moving forward (unfunded to date). None of these costs have been included in the proposed 2020 budget.

Mr. Hoover noted that local governments are highly dependent on the county. The question is whether the county can sustain the current level of generosity to local municipalities. He stated that the County Executive recommend re-examining the sales tax distribution formula in 2019.

Mr. Manchester asked that the Legislators get any/all questions regarding the proposed budget to the Clerk who will forward them to Mr. Hoover. Budget Workshop #2 will be question and answer format.

The Workshop adjourned at 8:35 p.m.

Minutes of Budget Workshop #2 held in the Legislative Chambers, 5th Floor, Hazlett Building, 203 Lake Street, Elmira, New York on Wednesday, November 13, 2019 at 7:00 p.m.

Members and Officials present: David Manchester (Chairman), John Pastrick, L. Thomas Sweet, Joseph Brennan, Mark Margeson, Brian Hyland, Christina Sonsire, Peggy Woodard, John Burin, Martin Chalk, Robert Briggs, William McCarthy, Scott Drake, Michael Smith, Rodney Strange, Bryan Maggs, Steven Hoover

The Chairman of the Legislature called the workshop to order at 7:00 p.m. He reviewed the memo which was provided to each legislator regarding the schedule for the budget review and approval process.

The Chairman turned the meeting over to the Budget Director who provided answers to the following questions:

1. What is the amount of cost to include the contract with the City of Elmira for a full-time Investigator in Welfare Fraud?

\$115,000 including fringe benefits. Mr. Drake noted that the 2020 contract is slated to go to the Chemung County Sheriff's Department. He stated that in 2017 \$5 million in Welfare Fraud was recovered. 80% of those cases were brought in through the contract with the Elmira Police Department. He noted the amount/number of recoveries (savings) may be not be realized without the resource of EPD intelligence. Mrs. Sonsire asked if any the 2020 proposed budget reflects any change in welfare fraud collections. Mr. Hoover stated that it does not.

2. What would the tax increase be if we used zero reserve funds?

2.6% tax rate increase. 4.8% increase in the tax levy.

3. How much revenue does each 1% increase in the tax rate raise?

\$312,000 based on full valuation.

4. How many Single Rate employees?

Approximately 200.

5. With regard to the Single Rate employees, how much does the 1% salary increase cost (total increase cost)?

\$100,000

6. You mentioned that some employees who will actually be receiving less pay in 2020– is this the result of increase health insurance contributions?

Yes. With bi-weekly health insurance contribution costs increasing to \$105.00 and co-pays increasing from \$10 to \$20 some Single Rate employees will have less take home pay in 2020 (based upon a 1% raise).

7. Organizational Funding – YWCA down \$20,000, EOP increased (new) \$25,000. Could we have an explanation of what is occurring with these?

The contract for the Human Relations Commission is going to the Economic Opportunity Program with a \$5,000 increase. The County Executive did not feel that the YWCA was meeting the expectations of the contract. Mr. Hoover stated that Organizational Funding has been provided for a number of years to organizations throughout the county who provide services to Chemung County and its residents. The County Executive decides which groups/organizations receive funding. New organizations are chosen at his pleasure.

8. The proposed 1% tax rate hike increases revenue approximately \$300,000. We are also appropriating slightly over \$500,000 in fund balance. What are your suggestions as Budget Director for how we can close the gaps in the proposed budget by decreasing spending instead of increasing taxes and raiding an already tight fund balance?

Increasing sales tax projections from 2% to 3.2% would generate \$1.1 million (Chemung County's share would be \$880,000). Cut all equipment purchases, cut all travel, layoffs, don't fill vacant positions. Mr. Hoover noted that it is difficult to pick up \$800,000 without hurting departments.

9. Criminal Justice Reform is projected to add over \$250,000. Is it budgeted?

No.

10. Highway & B&G shared service. "Agreements need to be reexamined". Does the 2020 proposed budget address any monetary changes to the current agreements?

No. \$250 payment from the City of Elmira provides \$650,000 relief to City from original agreement. The City also continues to participate in the county's health insurance program. However for 2020 the City will be responsible for costs that exceed premium payments.

11. How much additional revenue is generated with a 1% tax rate increase?

\$312,000

12. Where in the budget is the proposed appropriation of the \$150,000 Casella dollars?

Page 127. The County Executive is recommending that \$50,000 from the Small Project Fund be used to pave the Lake Street Material Recycling Facility Road. \$100,000 from the Community Development Fund will go to the Wellsburg Fire Department (as promised by the previous Administration). Mrs. Sonsire noted that the Legislature passed a policy earlier

this year regarding the disbursement of Casella funds and asked if that policy should supersede the budget process. Mr. Hoover noted that the resources are coming from Casella to be used as the County Executive determines. Mr. McCarthy stated that because the funding was already promised to the Fire Department the Legislature is bound by that promise. He doesn't think the Legislature should make any amendments to the way the Casella funds are appropriated in the 2020 budget. Mr. Manchester does not agree.

13. The budget proposes to expend \$527,120 more in debt service when compared to last year. If debt service payments were the same as last year could the \$527,120 be used for general fund purposes?

Yes. However, General Fund debt service is only up \$502,000, which is being used to pay down debt service.

14. Are we legally obligated to fund these agencies through Organizational funding? If the funding is reduced beyond the current proposed level could the reduction be used for general fund purposes?

The county is not legally obligated to provide Organizational funding to various agencies for providing services to the county. Reducing allocations for Organizational funding would free up money to be used for general fund purposes.

15. Is there a long term plan to offset the existing structural deficit?

The structural deficit is an issue that Mr. Hoover is always working on. Some ways to offset the deficit have been included in the proposed budget, i.e. employees paying more for health insurance. Sales tax distribution agreement and shared services for Highway and Buildings and Grounds with the City, both, which cost the county a great deal of money, will be revisited in 2021.

16. Is the Nursing facility budget realistic given the loss of the IGT funding?

Without the IGT, which the County Executive has no plans of drawing down in 2019, the Nursing Facility's fund balance would be depleted by \$3,000,000. Mr. Smith asked for an explanation of the IGT funding. Mr. Hoover stated that IGT stands for Inter Governmental Transfer. It is creative way that NYS uses pull down additional Federal funding to pay for Medicaid relating to long-term care services. Counties give funding to the state who in turn sends the money to the Federal government. The funding is then matched dollar for dollar. For example, if Chemung County wants to draw down \$3 million in IGT a \$1.5 million payment is required from the General Fund to the State. The \$3 million is then sent to the Nursing Facility fund balance to meet operating expenses. None of the funding received can be transferred back to the General Fund. Basically, the county is advancing money to the state in anticipation of receiving two-times the money back. Mr. Smith asked if the IGT is routinely used to balance the Nursing Facility's budget. Mr. Hoover stated that the CCNF is highly dependent on the IGT. Without it the facility will have a \$6 million structural deficit by the end of 2020. Chemung County is responsible for meeting the obligations of the

CCNF. Any structural deficit would require transferring funds from either the General Fund. The reality is that owning and operating the CCNF puts a tremendous financial strain on the county. The County Executive has not been shy about letting the public know that he wants the public to decide if Chemung County should be in the Nursing Home business. Mr. Hoover reiterated that nothing (zero) has been budgeted for IGT in the proposed 2020 budget. Mr. Pastrick stated that the county considered selling the CCNF years ago. He feels that it is time to look into this again. Mr. Hoover noted that currently there are 19 public nursing facilities in NYS. Counties that have them all seem to financial problems. Mr. Pastrick asked how many Chemung County employees work at the CCNF. Mr. Hoover stated that there are approximately 220 people employed by the county for the operations at the CCNF.

17. What is the basis for the amount of contingency funding?

The budgeted amount is based on how much was spent in prior years. 2018: \$530,000. To date in 2019: \$398,000.

18. What was the beginning and ending balance of the contingency fund for 2017 and 2018?

19. The county tax rate has not increased in over a decade. However during this same time period the cost of living (CPI) has changed. If the tax rate beginning in 2008 had been adjusted to reflect changes in the CPI, what would the 2020 rate be?

8.65 per thousand of assessed value.

20. Can you show us how much revenue a .5%, 1.5%, 1.75% and 2% increase in property tax would yield and the average impact each percentage would have on owners of property valued at \$100,00?

.5% = \$153,000 - \$3.43 impact, 1.5% = \$459,000 - \$10.29 impact, 1.75% = \$535,000 - \$12.01 impact, 2% = \$612,000 - \$13.72 impact

21. Can you illustrate what the proposed 1% pay increase along with recently approved increases in health insurance and co-pays means for a single rate employee making \$55,000 and \$75,000?

\$55,000 = net loss in income of \$100 for 2020, \$75,000 = net gain in income of \$100 for 2020.

22. Can you show us what impact a 1.5%, 2%, 2.25% and 2.5% increase in single rate salaries would have on gross appropriations?

\$150,000, \$200,000, \$225,000, \$250,000 respectively.

23. If possible, can you show us what impact the combination of a 1.75% property tax increase combined with a 2.25% increase in single rate employees would have on the overall budget?

Increase levy by \$535,000 increase cost (appropriations) by \$225,000.

24. It appears the budget calls for all of the proposed road work to be bonded. Is there any fiscal benefit to paying for some of it in cash?

Bond rate is 2-2.5% total borrowing for road work is approximately \$6 million. The county doesn't have the cash to pay for infrastructure projects.

25. Why are expenditures for Worker's Compensation projected to decrease so significantly?

2020 projections are based on 2020 actual expenses.

26. Reduction in pay for elected officials is subject to a mandatory referendum. Is the same true for reduction of a benefit such as health insurance? No.

27. The IDA is required to live-stream all meetings starting next year.

a. Is there any money appropriated in this budget for live-streaming of County meetings? No.

b. Has the County gotten any estimates for live-streaming?

\$127,463 Grant funding be used to provide licensing and equipment.

c. Has the County engaged in any discussions with the IDA for sharing costs of live-stream equipment and/or infrastructure?

Yes. The cost of the license will be shared among those who are doing the live streaming.

28. Total 2020 Tax Levy?

\$30,916,478

29. Total amount of local cost of unfunded mandates? Dollars and percentage of tax levy.

\$38,788,730 = 125% of levy. Excess is paid with sales tax revenue.

30. Total local cost of Medicaid? Dollars and percentage of tax levy.

\$19,930,000. Medicaid consumes 64.5% of the tax levy.

31. One of my biggest concerns with the budget is the projected loss at the Nursing Facility. I would like to know what is driving that loss, and is there anything that can be done to lessen that number?

Expenses exceed revenues because of employee benefit costs – pension/health insurance/workers compensation.

32. It was recently revealed that the county provides in-kind services to the Library District to the tune of nearly \$130,000 annually. What other non-mandated entities do we provide in-kind services to, and for what amount?

In-kind services are difficult to value. Some of the organizations that receive in-kind services include: Chamber of Commerce, CCIDA, Cornell Cooperative Extension, Historical Society, Wings of Eagles, Transit Garage, National Soaring Museum.

The Chairman reminded the Legislators to send any remaining questions to the Clerk who will forward them to the Budget Director.

The Workshop adjourned at 9:00 p.m.

Minutes of Budget Workshop # 3 held in the Legislative Chamber, 5th Floor, Hazlett Building, 203 Lake Street, Elmira, New York, on Monday, November 18, 2019 following the Public Hearing on the 2020 Tentative Chemung County Budget.

Members present: John Pastrick, Jr., David Manchester, L. Thomas Sweet, Joseph Brennan, Mark Margeson, Brian Hyland, Christina Sonsire, Peggy Woodard, John Burin, Martin Chalk, Robert Briggs, Bill McCarthy, Scott Drake, Michael Smith, Rodney Strange,

Steve Hoover, Budget Officer thanked Chris Moss, David Sheen, Vinnie Azzarelli, Taylor Lance and all the department teams that worked hard assisting in the preparation of the 2020 Budget. He also thanked the Legislature for making him feel welcome at the budget workshops as well as having the opportunity to connect with the Legislature.

Legislator questions with responses from the Steve Hoover, Budget Officer

Jail overtime for 2019 budgeted \$575,000 and has increased to 2020 budgeted 650,000 (+\$75,000). We have been told the Criminal Justice Reform will significantly reduce jail population. Will jail population reduction lessen the need for overtime?

Currently, the Jail is experiencing staffing issues causing a need for employees to work overtime. At this time, sections of the Jail are mandated to remain open regardless of the current population. Additionally, the Jail has mandated supervision levels/staffing levels.

If all general fund departments overtime was reduced by 5% what is the total dollar reduction?

\$80,000

Budget Message: Capital Projects - "Furthermore, we will pay down more bond principal \$6,273,595 in 2020 than what we borrow \$5,831,794". Is the \$6,273,595 the required Bond payment or are we paying an additional (\$441,801) to accelerate reducing our obligation?

Yes, \$6,273,595 is the required bond payment. No, an additional payment of \$441,801 is not being paid to accelerate reducing our obligation.

The budget message states that the criminal justice reform will add well over \$250,000 to our payroll. In your opinion is the budgeted contingency fund ~~\$501,000~~ \$574,000 sufficient to absorb these cost?

No, the budgeted contingency fund is not sufficient to absorb these costs. Steve recommends taking funds out of the general fund balance and not the contingency fund balance.

The General Fund Multi-Year Plan indicates significant General Fund deficits beginning in 2020 and accelerating in 2021 (\$2,436,300), 2022 (\$2,801,033), 2023 (\$3,314,977) and 2024 (\$3,718,866). Do these projections assume the IGT program is being utilized?

No. IGT has not been budgeted in the 2020 budget.

What is the rationale for not budgeting IGT but making it?

The County cannot afford to budget IGT. A \$6,000,000 IGT in the 2020 budget would cause a \$3,000,000 deficit in the General Fund.

Is it the administration's plan not to include 2020 IGT?

Yes

Budgeted sales tax (\$63,511,427) is 2.7% greater than budgeted 2019 (\$61,823,068) sales tax. What is your best estimate of actual year end 2019 sales tax revenue?

Projected \$62,517,000- 2.8% increase than 2018 actual rate of sales tax growth through 3rd quarter
Budgeted \$63,511,000- 2% growth in 2020

If an amendment was recommended to increase sales tax projections what percentage of the increase revenue stays with the county?

72.475% our share

The 2020 budget includes a 1% pay increase for single rate employees and 0% for elected officials. Variances to the single rate 1% are found throughout the budget with timing of employment or title explaining the variance. Would you please explain the variance from the single rate 1% for the following positions:

District Attorney – Confidential Secretary	4%
Budget Director	5.6% - There was a substantial decrease in salary at the beginning of the year. The salary increase is an attempt to restore a portion of the salary.
Public Safety – Under sheriff	3%
Probation – Probation Supervisor	3%

Mr. Hoover will look into the other positions.

I continue to struggle with understanding the Nursing Facility IGT. I would ask that we delve more deeply into the budget for the Nursing Facility with emphasis once again on the IGT and why we aren't planning to incorporate it into the 2020 budget. Are we using the IGT in the 2019 Budget?

Page 4 of 223 section 6 - The 2020 requested amount for the Legislature was \$455,229. This has been reduced to a recommended \$ 415,846. What changed?

Attorney, Brian Maggs salary was reclassified. Attorney salary was distributed from four funds, the Sewer Districts, Solid Waste Management and Legislature.

Page 60 of 223 section 6 - The Sheriff's budget includes equipment in the amount of \$ 283,480. Could we have a report on the proposed equipment items being requested?

The Sheriff requested four fleet vehicles and was approved for three.

Page 1 section 8 - Courts/Assigned Counsel - Part Time - 1162-1100 What is the Data Officer, what are the duties and what account is this being paid from?

The Data Officer compiles data and prepares reports for Indigent Legal Services. There is a large amount of funding from the state for Indigent Legal Services because prior services were deemed unconstitutional.

Page 22 section 8 - Social Services - Full Time - 6010-1000 Special Investigations I note that there are 3 vacant positions and a rumored 4th vacancy (Small Comb). What is the plan for this unit? Is there a contractual agreement with the City of Elmira to provide retired police officers or active officers to fill any/all of these positions?

This is an operational question for Vinnie Azzarelli.

What is the projected total local share cost in 2020 for operating the county nursing facility?

\$6,000,000, which is a re-occurring annual structural deficit.

Please provide an accounting of the Casella money for 2018 and 2019.

Casella Small Project accounting activity for 2017/2018 totaling \$50,000 was provided to the Legislature. Funding for 2019 Casella Small Projects was not available.

Mr. Hoover reported that he recently learned that the state will no longer reimburse the county for the Veterans contract with the Department of Social Services in the amount of \$200,000.

Mr. Manchester noted that this evening's budget workshop is a continuation of the November 13th budget workshop, going through Legislator questions with responses from Steve Hoover. Mr. Manchester requested that Legislators please bring any recommended changes to the final Budget Workshop tomorrow night at 7:00pm. Steve will provide us with a list of minor adjustments/corrections, listing each change separately. Mr. Manchester noted Steve has been excellent with providing answers to Legislator questions. He thanked Steve for his time, efforts, guidance, and education during the budget workshops.

This budget workshop adjourned at 8:15 p.m.

Minutes of Budget Workshop #4 held in the Legislative Chambers, 5th Floor, Hazlett Building, 203 Lake Street, Elmira, New York, on Tuesday, November 19, 2019 at 7:00 p.m.

Members present: John Pastrick, Jr., David Manchester, L. Thomas Sweet, Joseph Brennan, Mark Margeson, Brian Hyland, Christina Sonsire, Peggy Woodard, John Burin, Martin Chalk, Robert Briggs, Bill McCarthy, Scott Drake, Michael Smith, Rodney Strange, Bryan Maggs

Legislators excused: Christina Sonsire, Robert Briggs

Mr. Manchester noted that Steve Hover, Budget Officer has done a wonderful job providing many answers to Legislator questions. Legislators can continue to send questions to Steve if necessary. Mr. Manchester requested that any recommendations for budget amendments be sent to the Clerk prior to the scheduled Leadership tomorrow meeting at 9:00 a.m. as we begin preparing the budget report.

2020 Budget Questions – Budget Workshop 11/19/19

Regarding sales tax: 2019 year-end sales tax projections are \$62,517,000, which is 2.38% above 2018 actual. The 2020 proposed sales tax is \$63,511,427, which is 1.59% above the estimated projected 2019 year-end amount. The County retains 72.475% of the revenue.

Would you please calculate 2020 sales tax revenue and the additional County's share assuming a 2%, 2.5% and 3% increase above the estimated 2019 year end number?

<u>Scenario-2020</u>	<u>Gross</u>	<u>County</u>	<u>Municipalities</u>
3%	64,136,602	46,483,002	17,653,600
2.5%	63,824,015	46,256,455	17,567,560
2.0%	63,511,427	46,029,907	17,481,520

What savings would the County have if healthcare in 2020 for legislators is eliminated?
Mr. Hoover was unable to supply a response.

Mr. Burin presented two budget amendment options.

Budget amendment items:

Single rate salary increase – additional 1%:	\$100,000
Criminal Justice Reform:	\$250,000
Veterans Administration:	\$200,000
Eliminate use of fund balance:	\$506,549
Reinstate Organizational Funding to 2019 levels:	<u>\$57,823</u>
	\$1,114,372

Note: Organizational funding – restores storm water to \$186,000, retains REDEC, retains Fathers Helping Fathers, retains EOP and eliminates YWCA.

Option 1:

Increase tax rate from 1% to 2%:	\$312,461
Reduce General Fund OT:	\$80,000
Increase sales tax to 2.5% over estimated 2019 year-end of \$62,517,000.	
$\$62,517,000 \times 2.5\% = \$64,079,925$	
$\$64,079,925 - (\text{Budgeted}) \$63,511,427 = \$568,498$	
County Share x 72.475%	<u>\$412,018</u>
	\$804,479

Note: \$568,498 sales tax increase = .00895 increase over budgeted sales tax

Option 2:

Increase tax rate from 1% to 2%:	\$312,461
Reduce General Fund OT:	\$80,000
Increase sales tax to 3% over estimated 2019 year-end of \$62,517,000.	
$\$62,517,000 \times 3\% = \$64,392,510$	
$\$64,392,510 - (\text{Budgeted}) \$63,511,427 = 881,083$	
County Share x 72.475%	<u>\$638,565</u>
	\$1,031,026

Note: \$881,083 sales tax increase = .0138 increase over budgeted sales tax

Option 1:

Option 2:

Budget Amendments:	\$1,114,372	\$1,114,372
Funding:	<u>\$ 804,479</u>	<u>\$1,031,026</u>
Gap:	\$ 309,893	\$ 83,346

Mr. Sweet stated YWCA did not deliver on services promised. Equal Opportunity Employer (“EOP”) was chosen because of an expansion of services including workforce development programs.

Mr. Hoover mentioned that the Legislature will be receiving corrections/adjustments in the budget. He noted the Veteran’s Affair contract with DSS is around \$200,000. Mr. Manchester noted he believes it’s closer to \$140,000. Mr. McCarthy asked if the County is at risk of going over the tax cap. Mr. Burin responded that we are nowhere near going over the tax cap. Mr. Chalk stated that the numbers are predicated on increase in sales tax revenue. He thanked John for his work. He also mentioned that Mr. Hoover has always been very conservative in estimating sales tax revenue. Mr. Margeson stated that the amendments being recommended by Mr. Burin do not disrupt anything the County Executive wants/needs to do and still holds \$500,000 in fund balance. He believes option 2 is doable. Mr. Burin stated keep in mind the driver for conversation is structural deficit which needs to be addressed or it will continue to get worse. Shared Services and the state mandate arena limits growth in tax base and these costs can’t be absorbed through tax base. Mr. Manchester noted that amendments will be reviewed at the Budget Committee meeting on December 2nd. Full Legislative vote on adopting the budget will take place on or before December 9th. At that point, the County Executive will approve or veto the amendments to the budget. The Budget Committee can communicate with the County Executive once he receives the budget report.

Mrs. Woodard stated she has no problem giving \$100,000 to the Town of Wellsburg being they were promised \$300,000. Mr. Sweet stated he believes the \$50,000 Community Development Funds appropriated to pave the Lake Street Material Recycling Facility Access Road should be bonded. He feels the \$50,000 Casella monies should be decided on at a later date. Mr. Chalk and Mr. Pastrick both shared their support of Option 2. Mr. Manchester suggested a straw vote of who supports Option 1 or Option 2 and who supports bonding the \$50,000 Casella money appropriated for the Lake Street Material Recycling Facility Access Road. Straw vote: Those in favor of Option 1 (0), Those in favor of Option 2 (13). Straw vote: Bond \$50,000 Casella monies (11), opposed (2). Mr. Sweet stated the \$50,000 bond could be a negotiated item. Mr. Burin noted that the \$50,000 has no impact on the budget, bonding the \$50,000 would be a recommendation. Mr. Manchester noted that freeing up the \$50,000 brings it into compliance with the Community Development Fund Disbursement Policy, stating the policy reads the Legislature or County Executive have the option as to how to spend the money. Mr. Sweet asked how we get a balanced budget with Option 2 showing a shortfall noting the adopted budget needs to balance. Attorney Maggs responded stating under the law the budget report and budget adoption need to be balanced. The shortfall needs to be allocated with some funding. He also stated the \$250,000 budgeted for Criminal Justice Reform (“CJR”) is a best-guess projection. The shortfall monies could come out of that and the CJR can be dealt with at a later date when we know where the chips fall. Mr. Chalk stated that the interaction through the budget process has been great. He also stated this budget process is the best that he has ever been involved with.

This budget workshop adjourned at 8:00 p.m.

Exhibit "A"

1. Increase Property Tax Rate

The County Executive's tentative budget proposed a 1% real property tax increase from the current rate of \$6.86 to \$6.93. The Legislature recommends an additional 1% increase to a rate of \$7.00 to raise revenue for unbudgeted items and to preserve the fund balance.

<u>Account No.</u>	<u>Co. Exec. Recom.</u>	<u>Budget Comm. Recom.</u>	<u>Increase (Decrease)</u>
41001	\$30,652,326 (1% increase)	\$30,964,787 (2% increase)	\$312,461

2. Increase Sales and Use Tax Revenue

The proposed budgeted amount is conservative, particularly considering the trend, 2019 actual collections and the anticipated revenue generated by internet sales tax collections.

<u>Account No.</u>	<u>Co. Exec. Recom.</u>	<u>Budget Comm. Recom.</u>	<u>Increase (Decrease)</u>
41110	\$63,511,427	\$64,392,510	\$638,565 (County share)

3. Reduce General Fund Overtime

All departments account for budgeted overtime within each department's payroll sub-account 50100.02. This budget amendment reduces the proposed budgeted overtime by 5% in each department. This results in a total savings of \$80,000.

4. Reduce use of Fund Balance

<u>Account No.</u>	<u>Co. Exec. Rec.</u>	<u>Budget Com. Rec.</u>	<u>Increase (Decrease)</u>
10 0000 45001	\$506,549	\$84,246	(\$422,303)

5. Increase Single Rate Salaries

Increase Single Rate Salaries from 1% to 2% for all Single Rate employees identified in the proposed budget as receiving the budgeted 1% increase. The increase from 1% to 2% results in increased payroll costs of \$100,000, and helps offset the employees' share of increased health insurance costs.

6. Increase funding for Criminal Justice Reform

Add \$250,000 to Contingency Account – 10 1990 1990 50408 for anticipated costs of complying with the changes required by the Criminal Justice Reform Act.

7. Veterans Administration

Add \$200,000 to Contingency Account – 10 1990 1990 50408 for operation of the Veterans’ Affairs Office due to anticipated loss of state reimbursement.

8. Correction of salary of Attorney to the Legislature and Special Districts

<u>Account No.</u>	<u>Co. Exec. Rec.</u>	<u>FTE</u>	<u>Budget Com. Rec.</u>	<u>FTE</u>	<u>Increase (Decrease)</u>
10-1040	\$35,589.68	.47	\$60,024.35	.65	\$24,434.67
22-8010-8110	\$12,494.25	.17	\$ 6,464.15	.07	(\$ 6,030.10)
23-8110-8110	\$12,494.25	.17	\$ 6,464.15	.07	(\$ 6,030.10)
24-8160-8110	\$14,244.87	.19	\$ 2,770.35	.03	(\$11,474.52)

The above-amended salaries total the County Attorney’s budgeted salary at the same FTE level (.82). These salaries shall be subject to the additional 1% increase in Single Rate salaries reflected in item #5 above (resulting in a salary of \$76,480.23 for both the County Attorney and Attorney for the Legislature and Special Districts).

9. Increase Organizational Funding

<u>Organization</u>	<u>Co. Exec Recom.</u>	<u>Budget Com. Recom.</u>	<u>Increase (Decrease)</u>
Chemung Hist. Soc.	\$ 4,750	\$ 5,000	\$ 250
STCRPDB	\$ 81,368	\$ 85,650	\$ 4,282
Soil & Water	\$213,750	\$225,000	\$11,250
Storm Water	\$159,030	\$186,000	\$26,970
Cooperative Ext.	\$235,543	\$247,940	\$12,397
SPCA/City of Elmira	\$ 47,463	\$ 49,961	\$ 2,498
CareFirst	\$ 3,325	\$ 3,500	\$ 175
CCIDA	\$200,000	\$200,000	-0-
REDEC	\$ 10,000	\$ 10,000	-0-
F.H.F.	\$ 5,000	\$ 5,000	-0-
EOP	\$ 25,000	\$ 25,000	-0-
Total	\$985,228	\$1,043,051	\$ 57,823

10. Amendment to Capital Plan –All Funds

Add Lake Street Material Recycling Facility Access Road Project to All Funds Capital Plan for 2020 at a local share cost of \$50,000 to be bonded; and remove same project from Casella Small Project Fund (account 10-8030-50436) leaving said fund unallocated, and available for other community projects.

- Option A:** Reduce local/bonded amount under “DPW various” from \$3,268,294 to \$3,218,294.
- Option B:** Increase total amount bonded by \$50,000 to \$3,318,294.