

**Budget, Capital and Finance Committee**  
**April 13, 2009**  
**3:30 p.m.**  
**Scott Heyman Conference Room**

**APPROVED**

Present: J. Dennis, Chair; N. Shinagawa, M. Hattery, K. Herrera, P. Mackesey (arrived at 3:37 p.m.)  
Legislators: M. Koplnka-Loehr  
Staff: J. Mareane, County Administrator; M. Lynch, Public Information Officer; N. Jayne,  
Executive Assistant; D. Squires, Finance Director; M. Pottorff, Chief Deputy Clerk of the  
Legislature  
Guests: T. Ashmore, Ithaca Journal

**Call to Order**

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

**Approval of Minutes of March 23, 2009**

It was MOVED by Mr. Hattery, seconded by Mr. Shinagawa, and unanimously adopted by voice vote, to approve the minutes of March 23, 2009, as submitted. MINUTES APPROVED.

**Public Comment**

No member of the public was in attendance.

**Chair's Report**

Mr. Dennis reminded members the Budget Retreat will be held on April 29 at 6:45 p.m. at the Transit Facility.

**Finance Director's Report**

Mr. Squires distributed the first quarter sales tax distribution summary. He spoke of a recent news headline in the Ithaca Journal that stated Tompkins County was leading the State in the largest decline in sales tax of ten percent. He clarified that the first quarter the County recognized \$7,054,000 in income after municipalities were given their share; compared to \$7.7 million last year; this represents a ten percent decline. He noted, however, that the \$7.7 million included \$500,000, that was not attributable to activity during the first quarter. He said he will not know until April 25 if any adjustments will be made to the first quarter of 2009. He said if the figures remain the same it would actually represent a three percent decline, not ten.

Mr. Squires distributed a GASB analysis and announced post-employment health care benefits need to now be recognized in the reporting of the County's financial statement. The County budget provides funding for current-year costs and does not fund future obligations. One of the future obligations that is recognized in the analysis is post-employment benefits and that cost must be calculated and disclosed because it is an accrued liability. He said the figures need to be updated every three years. He said this raises the question of whether the County should consider operating like a business as businesses have unfounded future obligations. The largest corporations are no longer providing retiree benefits because they don't want to have to recognize that cost on their balance sheet. He said if the County were to have to fund its post-employment benefits the budget would have to include \$6.7 million every year to build up the cost for current employees plus future accrued liabilities.

Ms. Herrera asked how this would impact the TCCOG (Tompkins County Council of Governments) Consortium. Mr. Squires said if the County's health insurance costs go down then future costs would go down proportionately and every entity's liability will be determined separately. She said she understands the need for the public to see what the County has committed to and asked what the argument would be for counties to not be required to recognize these amounts on financial statements. Mr. Squires said it is unrealistic to expect counties to have the financial capacity to provide for future benefits; counties should not have to tax for something that is 20-years in the future. Mr. Squires also noted that in comparison to other counties, Tompkins County requires a substantial co-payment on retiree health insurance.

Mr. Squires also reported there are new standards being established for counties that would require classifying fund balances. He said the County's total unreserved fund balance is \$11.5 million and currently includes Rollover and other funds that are reserved.

Mr. Hattery noted the data shows a substantial growth in the STOP-DWI fund and not a lot of spending. Mr. Squires said these are dedicated monies and there are specific guidelines on usage of these funds.

### **County Administrator's Report**

Mr. Mareane said he handed out a quarterly indicators report last week; anyone with questions should contact him. He deferred his comments to topics to be discussed later in the meeting.

### **Public Information Report**

Ms. Lynch had no report.

### **RESOLUTION NO. - APPROPRIATION FROM CONTINGENT FUND – CITY OF ITHACA – MUNICIPAL SALES TAX AGREEMENT**

MOVED by Mr. Hattery, seconded by Mr. Shinagawa. Ms. Jayne said this resolution is approved each year. It is based on the sales tax collected in 2008. Generally, the County appropriates this amount from the Contingent Fund to cover the increase in sales tax for 2008 and will adjust the appropriations and revenues for the following budget year. She expressed caution in proceeding that way in this year because of the decline in sales tax revenues already being experienced. Because payment is based on actual sales tax receipts, if the decline continues there may need to be first quarter sales tax allocations for the City and agencies. She recommended that the Legislature approve this resolution based on policy but a careful look should be taken before increasing appropriations in the 2010 budget. She noted the Human Services Coalition is aware of this and typically uses these funds for one-time uses. A voice vote resulted as follows: Ayes – 5, Noes – 0. MOTION CARRIED.

WHEREAS, Resolution No. 87 of 1993, gave authorization for the County to enter into an agreement with the City of Ithaca for the distribution of sales tax proceeds, and

WHEREAS, the County pays for selected services provided by the City in an amount that increases or decreases yearly based on the percentage change in actual sales tax collected in the City of Ithaca, and

WHEREAS, actual collections within the City of Ithaca increased by 6.9 percent in 2008, and

WHEREAS, adjustments necessary to pay the various agencies requires an appropriation from the Contingent Fund, now therefore be it

RESOLVED, on recommendation of the Budget and Capital Committee, That the Director of Finance be authorized and directed to make the following budget appropriation:

**BUDGET APPROPRIATION:**

From:	Unallocated Revenues	A9999.41110			\$65,227
			<b>Budget</b>	<b>2009 Due</b>	<b>Change</b>
To:	Opportunities, Alternatives, and Resources	A6315.54400	\$6,952	\$7,433	\$481
	Opportunities, Alternatives, and Resources	A6315.41110	\$6,952	\$7,433	\$481
	Human Services Coalition Agencies	A6305.54400	\$295,302	\$315,749	\$20,447
	Human Services Coalition Agencies	A6305.41110	\$295,302	\$315,749	\$20,477
	County/City Program	A6901.54666	\$460,086	\$504,385	\$44,299
	County/City Program	A6901.54666	\$460,086	\$504,385	\$44,299
	<b>Total Change</b>				\$65,227

**SEQR ACTION: TYPE II-20**

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**RESOLUTION NO. - BUDGET ADJUSTMENT –VARIOUS DEPARTMENTS**

It was MOVED by Ms. Mackesey, seconded by Mr. Shinagawa, and unanimously adopted by voice vote by members present, to approve the approve the following budget adjustment and submit to the full Legislature:

WHEREAS, pursuant to Administrative Manual Policy 05-02, budget adjustments exceeding \$5,000 require Legislative approval, now therefore be it

RESOLVED, on recommendation of the Health and Human Services and Budget, Capital, and Finance Committees, That the Director of Finance be directed to make the following budget adjustments on his books:

***Department of Social Services***

Revenue Acct	Title	Amt	Approp Acct	Title(s)
6305.54400	Basic Substance AFCU Tax Assistance Program	\$10,000	6010.54400	Program Expense

Explanation: Resolution No. 12 of 2009 provides \$10,000 for AFCU VITA Program; Transferring funds to the Department of Social Services may allow for state aid on program.

**SEQR ACTION: TYPE II-20**

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**State Budget**

Mr. Mareane said the impact of the 2009 State Budget on Tompkins County will be in the \$600,000 - \$700,000 range. Although this will still be difficult, it is much better than what was originally expected. He noted the following areas that will need adjustment with approximate amounts:

- Reimbursement for State readies and parole violators in County Jail - \$120,000
- A change in a formula-based reimbursement for DSS administrative costs to a DSS block grant - \$150,000
- COPS was restored to 85 percent of the original, leaving the County with a 15% reduction (\$94,000). He noted Patricia Carey continues moving some of the clients who are being supported through the COPS program into a mandated program
- The Bio-Terror grant has been eliminated (\$112,000)
- The Mental Health MATS (Managed Addiction Treatment Services) Program has been eliminated (\$113,000). Mr. DeLuca is working to transition clients from that program into other aidable programs.

- Probation Services cut (\$20,000)
- Youth Services cut (\$25,000)
- Aging Services cut (\$67,000)

Mr. Mareane said he believes this is the first round of cuts and believes there is a strong likelihood that there will be further reductions before year-end. He will be updating the “Framework” document he provided at a previous meeting to reflect actual actions taken in the State Budget, sales tax, and Stimulus funding information.

Mr. Hattery suggested the Framework be separated into two separate categories – 1) the current financial situation, and 2) methods to approach cuts.

Mr. Mareane said Administration is almost finished with the development of an electronic suggestion box for employees. He noted it will also have anonymous submission capability.

### **Budget Retreat**

Mr. Mareane began his comments stating this is going to be the most difficult budget year for all counties in New York State. He said Tompkins County is experiencing an extraordinary environment right now. Factors that will have to strongly be taken into consideration in Tompkins County’s 2010 budget include: growth in wages and fringe costs, utility costs, debt costs, increased pressure on mandates, Pre-K Early Intervention growth, child welfare, increased pension costs because the State lost a lot of value in the Pension Fund, lack of or decreasing sales tax, a likely reduction in investment income, and increased costs in the Assigned Counsel Program.

Ms. Jayne said at the next Committee meeting a resolution will come forward to recommend a fiscal target to go into the Budget Retreat with. Committee members suggested the following scenarios:

- 0 percent change;
- 2/4/6% increases;
- 3/6/9% increases; and
- The % it would take to achieve a maintenance of effort budget

Mr. Dennis noted that reviewing the Framework and setting a target could take up an entire meeting and a prioritization exercise can take place at a subsequent meeting. In discussing the prioritization process, Ms. Herrera said she finds the exercise useful because of the discussion that it brings out, and often learns of addition information during the process.

In discussion of setting a date and time for the Budget Retreat or a subsequent date. Ms. Herrera said she cannot attend a meeting following a Legislature meeting due to her work schedule and to have a meeting then would disenfranchise her as a Legislator. Mr. Hattery agreed that the later a meeting is held the less productive it usually is.

Mr. Hattery suggested that when TC3 has their budget presentation, that it include information on current fund balances. We need to make movement on clarifying a policy regarding TC3’s infrastructure and maintenance, how its handled budgetarily, and who will be responsible for it.

### **Adjournment**

The meeting adjourned at 4:56 p.m.