

Budget and Capital Committee
April 23, 2007
3:30 p.m.
Scott Heyman Conference Room

Present: M. Koplinka-Loehr, R. Booth, K. Herrera, M. Hattery, N. Shinagawa
Legislators: M. Robertson, P. Mackesey, J. Dennis
Staff: P. Carey, DSS; S. Whicher, N. Jayne, M. Lynch, County Administration; D. Squires, Finance; L. Holmes, COFA; A. Cole, Health Department; M. Pottorff, Legislature Office
Guests: N. Fawcett, Library Board of Trustees

Called to Order

Mr. Koplinka-Loehr called the meeting to order at 3:30 p.m.

Changes to the Agenda

There were no changes to the agenda.

Approval of Minutes of April 9, 2007

It was MOVED by Mr. Shinagawa, seconded by Ms. Herrera, and unanimously adopted by voice vote, to approve the minutes of the April 9, 2007 as corrected.

Comments from the Public

No member of the public was in attendance.

Chair's Report

Mr. Koplinka-Loehr reminded the Committee that the Legislature budget retreat will be held on April 26 at 6:30 p.m. at the Mental Health Building.

He proposed changing the May 14 meeting of this Committee to May 7 for the purpose of bringing it more in-line with the agenda for the May 15 Legislature meeting. Due to schedule conflicts the meeting date was not changed. The May 28th Committee meeting which is on Memorial Day and was changed to May 29th.

Mr. Koplinka-Loehr reported the Community Advisory Panel is scheduled to meet on April 25th from 10:30 a.m. to noon to review the recommendations that group provided three years ago, and get an update about the three community budget forums. In addition to reviewing where the County now stands with those recommendations.

He announced the 2007 Citizen's Friendly budget is now available.

Finance Director's Report

Mr. Squires distributed the official breakdown of the first quarter sales tax report, showing a total of \$12,443,195 in sales tax receipts. Of that amount, \$6,998,25 is the County's share. Mr. Squires said this amount meets the budgeted estimate for this first quarter.

County Administrator's Report

Mr. Whicher reported that Rollover reports will be coming out a little later this year. He expects action to be taken near the end of June.

Public Information Officer's Report

Ms. Lynch provided the Committee with a preliminary overview of the March, 2007 community budget forums that were held in Dryden, Enfield, and the City of Ithaca. In analyzing activities that were conducted at the forums she said group ratings were relatively consistent when rating the value of services between areas of health and human services, public safety, planning and public works, and slightly lower in government operations. Comments submitted by participants indicated a sense that all services are interconnected and equally important and that services, such as human services, public works, and youth services, often being referred to as "investments". When groups were asked to reach consensus on how the County tax levy should change in 2008, group ratings came in at around four to five percent. One of the Dryden groups indicated that its 3.4 percent rating was achieved with great difficulty and urged that the rating not be considered a recommendation because of the service cuts that level would require. Ms. Lynch said the Ithaca group could not reach consensus; the average rate for that group was -4.3 percent. She expects the full report to be available tomorrow.

Ms. Herrera said she appreciates the great amount of effort and work that went into the community budget forums. Mr. Dennis said he serves as a member of the Public Information Advisory Board and they will be looking at alternative times next year in the hope of increasing attendance. He also acknowledged the amount of work that was done by staff for these forums.

Ms. Robertson suggested that Ms. Lynch include the specific departmental areas that fall under the "Government Operations" heading in the final report.

County Budget Process – Public Library Target

Mr. Koplinka-Loehr referred to the County Charter, last sentence in Section C28.02 – Library; Financial administration, which states "Library finances shall be subject to audit by the County Department Director of Finance", and asked for clarification because the wording under C-29.00 – Tompkins Cortland Community College is very different. Mr. Fawcett said State law requires the Library Board and its treasurer to approve all expenditures. *Mr. Koplinka-Loehr asked that the language in the Charter be corrected during the next Charter revision.*

Ms. Jayne explained that if the Legislature chooses to include salary increases in the Library's fiscal target the projected impacts would be \$66,828 for 2008 and \$72,027 for 2009. She said Mr. Shinagawa brought to her attention that the Library and Tompkins Cortland Community College are the only two agencies that are included in the County's Charter.

Ms. Jayne spoke to how agencies and departments are identified and said during last year's Fiscal Policy review and revision process, the section referring to budgeting units (section 3.01 (G) "Information about Budgeting Units and Programs") was amended. As a result of that review budgeting units were changed to identify each unit as a department or agency and how fiscal targets are established.

Mr. Squires noted the Library is not a component unit; however, the Community College is a joint venture which the County has an equity interest in the fiscal plan of the college.

Mr. Koplinka-Loehr said he doesn't see a significant change if the Library is included in the County's master list of departments having fiscal targets because there will still be an opportunity to

review the entire Library budget. Mr. Fawcett said the Library would expect to justify the items contained in the target each year, however, the big difference is in terms of public perception because of how much Library requests in its budget. Any time the Library requests an over-target increase it is always on top of the over-target request for salaries and benefits.

Mr. Whicher said he thinks it would help to give the Library a fiscal target that includes salary increases; however, he would caution the Legislature that because they are a separate contract of which the County does not participate in negotiations, that it not be tied to their salary negotiations. He suggested tying it to a different base in the event the Library negotiations grant higher salary increases than the County approves for its bargaining units.

Ms. Herrera expressed concern over the difference in the Library's fringe rate from the County's and that the County is not a participant in negotiating salaries for the Library. She said if this were to happen she would like the County to be more involved in the Library's negotiations. She also thinks this action would somewhat influence those negotiations. Mr. Hattery suggested another option could be to move in a direction that would treat the Library like TC3.

Mr. Booth said he would not support the County being involved in the Library's negotiations. He also identified several issues:

- The County could adopt a policy and give Mr. Whicher direction for setting up a budget, which is separate from amending the Fiscal Policy;
- Section 3.01 of the Fiscal Policy states all of the remainder of the Fiscal Policy, including information relating to targets, applies only to County departments; it doesn't apply to non-County departments
- How other entities that are generally referred to as agencies should be treated; and
- Consider an additional section in the Fiscal Policy that would deal with the Library, TC3 and TCAT

Ms. Robertson said she does not see the Library as being the same as TCAT or TC3 because the Library has no outside funding source.

Mr. Koplinka-Loehr noted that if this action were approved it would apply during times of salary increases as well as decreases. If County departments received a target increase of a negative amount the Library would also be subject to the same.

The Committee took no action at this time.

Fiscal Policy - Rollover Funds

Mr. Koplinka-Loehr said at a previous meeting there was discussion of the Rollover Policy with a request to bring the following wording back to the Committee for discussion:

“County department heads are authorized to request re-appropriation of 80% of unspent funds from the previous year provided that they are certified by the Director of Finance to be available and provided that this re-appropriation is authorized by the established appropriation procedures of the Legislature. Twenty percent (20%) of unspent funds will be returned to the General Fund. All departments shall clearly define the source of surplus funds”.

Mr. Booth asked what the reaction was of department heads to this proposal. Ms. Carey said while she does not support this proposal, it would not have a big impact on DSS. She said the current policy seems to be effective and department heads do not see a need for change.

Mr. Whicher spoke against the proposed change in the Fiscal Policy and stated that if departments didn't have access to Rollover funds there wouldn't be some of the creative successes in programs the County has experienced. He particularly doesn't like this proposal because it seems like the Legislature would not be making a decision and it could result in the same negative affect as eliminating the policy in its entirety.

Ms. Mackesey spoke against the proposal and stated many departments, particularly small departments, use Rollover funds for equipment. She thinks the Legislature would need to discuss the establishment of equipment replacement plans if this action were to be taken.

It was MOVED by Mr. Booth and seconded by Mr. Hattery, to approve the revised language as presented. Mr. Booth said this retains the current policy but provides for some flexibility in the General Fund. He does not support fringe monies being included in Rollover. Mr. Hattery agreed.

Ms. Holmes said the Office for the Aging is a small department that is allowed flexibility in its budgeting because of Rollover. The department has often purchased additional Personal Emergency Response machines with Rollover funds when needed because State and Federal funding has not kept up with the need.

Mr. Koplinka-Loehr will not support this proposal, but will support the requirement that departments clearly identify the source of Rollover funds.

A voice vote resulted as follows: Ayes – 2 (Booth and Hattery); Noes – 3 (Herrera, Koplinka-Loehr, and Shinagawa). MOTION FAILED.

It was MOVED by Mr. Booth, seconded by Mr. Shinagawa and unanimously adopted by voice vote, that the following paragraph in Administrative Policy 05-02 – Fiscal Policy, be revised as follows:

Section 5.06 Re-appropriation (Carryover or Rollover) of Unspent Funds from Previous Years

“County department heads are authorized to request re-appropriation of unspent funds from the previous year provided that they are certified by the Director of Finance to be available and provided that this re-appropriation is authorized by the established appropriation procedures of the Legislature. All departments shall clearly define the source of surplus funds”.

Budget Retreat

At this time Ms. Jayne distributed a sample packet of materials that will be distributed at the April 26 Legislature Retreat. She provided a description of each of the documents contained in the packet and will incorporate the Committee's suggested changes in the final packet.

Establishment of 2009 Financial Goals

RESOLUTION NO. – ESTABLISHMENT OF 2008 COUNTY FINANCIAL GOALS

MOVED by Mr. Shinagawa, seconded by Mr. Koplinka-Loehr.

Mr. Koplinka-Loehr said he would like the Legislature to establish financial goals on a three-year basis and said he would like this resolution to be equal or below the rate of inflation for 2008 and 2009.

Mr. Dennis said he does not support having a target or goal coming out of the budget retreat. He

believes a budget should first be produced by department heads and the County Administrator.

Ms. Herrera said she thinks asking the County Administrator to make a recommendation for a budget has been a way that Legislators have been able to not take responsibility for budget decisions. She thinks this resolution sets parameters and allows Legislators to have an effective discussion when goals are set. While she doesn't necessarily agree with the level of increase set forward in the resolution she is willing to support this to move it forward to the retreat for discussion.

A voice vote on the resolution resulted as follows: Ayes – 3 (Legislators Booth, Herrera, and Shinagawa); Noes – 2 (Legislators Hattery and Koplinka-Loehr). MOTION CARRIED.

WHEREAS, Tompkins County, as part of its budget policy and process, wishes to develop financial parameters for the County, to establish the framework for the budget over the next year, now therefore be it

RESOLVED, on recommendation of the Budget and Capital Committee, That the Legislature establishes the goal of a maximum annual tax levy increase of 5% (5) percent for 2008 resulting in a 3.4percent tax rate increase for 2008 also resulting in a projected decrease of \$600,000 in locally controlled spending over 2008 projections,

RESOLVED, further, That the County Administrator shall be charged to recommend modifications to employee health and prescription costs and further consolidations of departments and functions where opportunities exist for improved efficiencies.

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Revenue Options/Savings

Mr. Koplinka-Loehr distributed a proposal to develop a process for routinely identifying cost-efficiency measures that promote long-term fiscal stability for Tompkins County. He asked members to review this proposal, which is in line with the Committee's goals.

Adjournment

The meeting adjourned at 5:30 p.m.

Respectfully submitted by Michelle Pottorff, TC Legislature Office