

**Budget and Capital Committee  
July 9, 2007  
3:30 p.m.  
Scott Heyman Conference Room**

*Approved 7-23-07*

Present: M. Koplinka-Loehr, R. Booth, K. Herrera, M. Hattery, N. Shinagawa  
Staff: S. Whicher, P. Younger, N. Jayne, M. Lynch, C. DiNapoli, County Administration; D. Squires, Finance; L. Holmes, Office for the Aging; P. Carey, DSS; B. Ginnell-Crosby, Health Department; R. Deluca, Mental Health; M. Pottorff, Legislature Office; D. Bradac, Workforce Development  
Guests: Media

**Call to Order**

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

**Changes to the Agenda**

There were no changes made to the agenda.

**Public Comment**

No member of the public was in attendance.

**Approval of Minutes of June 25, 2007**

It was MOVED by Ms. Herrera, seconded by Mr. Hattery, and unanimously adopted by voice vote, to approve the minutes of June 25, 2007 as corrected. MINUTES APPROVED.

**Chair's Report**

The Committee reviewed the second draft of the Expanded Budget Committee calendar. A new draft will be produced based on the comments and suggestions made. Mr. Whicher will also discuss this schedule with department heads at a meeting this week.

**Finance Director's Report**

Mr. Squires distributed a Contingent Fund Report dated June 30, 2007. To date, \$54,643 has been appropriated, leaving a balance of \$775,357. Mr. Squires said the only account that is running significantly higher is the Assigned Counsel Program mandate account. He reported on sales tax receipts and said the last two reports show sales tax to be above last year.

**County Administrator's Report**

Mr. Whicher reported on the budget process he is undertaking and said he has met with almost all department heads and has received extraordinary cooperation from everyone. He spoke of the budget he will recommend and said while there will be some money available for agencies, there will no funds for any new programs as this budget will only propose a maintenance of effort. He said there are agencies that are in financial distress and Legislators should expect to hear from them. Mr. Whicher also reported he will be proposing to reduce the fringe rate from 39% to 38%. He noted that although he believes he

can reach the two percent goal established by the Legislature, it will not be an easy task, nor will it be without causing “pain” to some departments.

Mr. Booth asked if there was any news on the misunderstanding in the “hold harmless” language interpretation regarding Tompkins County advancing bond funds that has been under discussion with TC3. Mr. Squires said Cortland County has the same understanding with regard to this matter as Tompkins County but another meeting has been scheduled as of this date.

### **Public Information**

Ms. Lynch reported the Public Information Advisory Board has an intern working with them. Charles Marchant will be assisting with the Diversity Communications Program and working through the Workforce Diversity and Inclusion Committee. Mr. Marchant will also be doing an informal needs assessment with staff. The Committee discussed a date for the public forum on the proposed 2008 budget with suggestions being made for September 27<sup>th</sup> or October 4<sup>th</sup>.

### **Sales Tax/Medicaid Swap**

Mr. Whicher said the New York State Legislature has given counties a one-time opportunity to swap the local share of sales tax for the local share of Medicaid. Individual counties have to decide whether this would be an advisable option on an individual basis. He said in Tompkins County it could go either way; however, based on the assumption that sales tax revenues will change with projections showing a ten-year average increase of 3.9, percent his recommendation would be to not pursue this option. Ms. Jayne distributed an analysis showing a comparison of the Medicaid cost and sales tax revenues if this option had been in effect from 1998 to 2007. Although it would be very close, it is thought that the County would have lost money if this had been in effect during that time. NYSAC has not yet taken a position on this issue. This decision to take no action will be presented to the full Legislature.

### **RESOLUTION NO. – CENTRALIZE FRINGE BENEFIT LINES**

It was MOVED by Mr. Shinagawa, seconded by Mr. Booth.

Mr. Whicher said he has met with department heads and discussed this resolution. Generally, the reaction was focused around the collection of state and federal aid reimbursement and while there may be couple of minor details to work out he thinks this should move forward. Departments were assured that everyone would be treated the same.

Mr. Whicher said there are two advantages to centralizing the fringe and explained each:

1. Savings from Rollover: Any time there is a vacant position fringes associated with that salary would be saved as those funds would be removed from the department’s rollover. Departments would not be entitled to receive terminal or replacement pay reimbursement for fringe expenses.
2. Flexibility in managing County budget: Centralizing fringe will give staff a better idea of what the costs associated with fringe really are and adjustments could be made at any point during the budget process. This would provide a much greater flexibility in managing the overall budget.

Mr. Whicher stated the estimated amount recaptured by this action is approximately \$250,000.

There was a brief discussion with regard to basing the fringe amount on actuals versus a percentage. Mr. Whicher said there are too many complications involved in doing so at this time but in the future that is something that could be looked into. He said the Mental Health Department is one budget that would need to be examined closely during such a review.

A voice vote resulted as follows: Ayes – 5, Noes – 0. MOTION CARRIED.

WHEREAS, the County Administrator is recommending moving decentralized fringe accounts to a centralized fringe account to provide better financial management, and

WHEREAS, a change from decentralized fringe accounts to centralized fringe accounts will not negatively affect a department’s ability to receive reimbursements (i.e. DSS, Health, and Probation), and

WHEREAS, centralizing fringe accounts will result in a reduction of fringe levels by approximately \$250,000, now therefore be it

RESOLVED, on recommendation of the Budget and Capital Committee, That the County Administrator is directed to consolidate all fringe accounts into a single account for each fund, and

RESOLVED, further, fiscal targets for all County departments be reduced by the 2007 budgeted fringe.

**SEQR ACTION: TYPE II-20**

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**RESOLUTION NO. - APPROPRIATION FROM CONTINGENT FUND - TERMINAL PAY - HEALTH DEPARTMENT**

It was MOVED by Mr. Booth, seconded by Ms. Herrera, and unanimously adopted by voice vote, to approve the following resolution and submit to the full Legislature.

WHEREAS, the Health Department Sr. Public Health Engineer resigned effective May 4, 2007, and

WHEREAS, the Health Department had a Sr. Account Clerk Typist retire effective April 27, 2007, and

WHEREAS, the Fiscal Policy of Tompkins County allows for terminal pay from the Contingent Fund, now therefore be it

RESOLVED, on recommendation of the Health and Human Services and Budget and Capital Committees, That the Director of Finance is hereby authorized and directed to make the following budget appropriation:

FROM: A1990.54440	Contingent Fund	\$28,798
TO: A4090.51000240	Sr. Public Health Engineer	\$ 17,625
A4090.58800	Fringes	\$ 6,874
A4016.51000529	Sr. Account Clerk Typist	\$ 3,093
A4016.58800	Fringes	\$ 1,206

**SEQR ACTION: TYPE II-20**

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**Committee Goals**

The Committee reviewed the mid-year status of progress made on goals. Comments made on specific goals are recorded on the next page.

**Outlining Next Steps for 2007:  
 Budget and Capital Standing Committee Annual Goals**

<p><b>Goal 1—Develop a 2008 Budget that supports community needs while improving the fiscal health of the County.</b></p>	<p><b>Problem/Need:</b> To provide quality public service to residents, for the common good, in the most cost-effective manner possible.</p>
<p><b>Strategic objective(s):</b></p> <p><b>1.a.</b> By March 12, 2007, work with the Department of County Administration to design, schedule, and conduct a meeting with all Department Heads and Legislators to discuss areas of the budget process in need of improvement based on the feedback received via the budget survey. Information gleaned from this meeting will be used to inform the development of the 2008 budget as well as the proposed 3-year financial plan (see goal 2). <b>DONE</b></p> <p><b>1.b.</b> By April 9, 2007, assemble a work team to include the County Administrator, 2 Legislators, and up to 4 Department Heads to develop an effective process for routinely exploring revenue options and cost saving strategies for promoting long-range fiscal viability (see details under strategic objective 3.d). <b>TO DO</b></p> <p><b>1.c.</b> By May 14, 2007, convene Budget Community Advisory Panel (CAP) to review implementation of its' recommendations (see details under strategic objective 2.c). <b>DONE</b></p>	<p><b>1.d.</b> By May 1, 2007, work with the County Administrator to establish financial goals, guidelines, and parameters for the entire County organization in support of 2008 budget development. <b>DONE</b></p> <p><b>1.e.</b> By April 2, 2007, work with the County Public Information Officer and the Public Information Advisory Board to design, schedule, and conduct up to 3 community budget forums (see strategic objective 2.d). Key objectives of these forums include: (i) improving public understanding of and confidence in current budget development/management processes, and (ii) gathering citizen feedback regarding the performance of county government functions in the most cost-effective manner possible. <b>DONE</b></p> <p><b>*Note: Legislative Budget Retreat tentatively scheduled for April 26, 2007.</b></p>
<p><b>Goal 2—Initiate the development of a 3-year financial plan that includes both fiscal parameters and spending priorities, and that is driven by inflation-based expectations.</b></p>	<p><b>Problem/Need:</b> To gather organizational consensus regarding a plan for the medium-term fiscal health of the organization that sets a foundation for long-term community affordability of government services for the common good.</p>
<p><b>Strategic objective(s):</b></p> <p><b>2.a.</b> By March 12, confirm with the County Administrator a tenable process for Capital Program reviews that occurs in advance of the annual budget development process and that incorporates key milestones established in the existing 20-year Capital Plan. In preparation for this meeting the County Administrator will have completed a review of the financing assumptions in the Plan. <b>BEING DONE AS THE YEAR MOVES FORWARD</b></p> <p><b>2.b.</b> By April 30, 2007, hold a meeting with the County Administrator, the Finance Director, and other select Department Heads and their designated budget specialists to discuss a “best approach” to developing a 3-year financial plan that serves as a planning tool for the entire County organization and that takes into account the following:</p> <ul style="list-style-type: none"> <li>▪ Preeminent, most practical recommendations from key stakeholders and customers.</li> <li>▪ Critical needs identified across all departments and divisions.</li> <li>▪ Fiscal parameters and spending priorities.</li> <li>▪ Reduction of the fringe by 2% over the next two years.</li> <li>▪ Inflation-based expectations.</li> </ul> <p>Work toward a plan development and adoption date of no later than December 1, 2007 and an implementation date of January 31, 2008. <b>GROUND WORK HAS BEEN LAID, MORE TO DO. CONCERNS EXPRESSED WITH REGARD TO USING LANGUAGE REFERRING TO 3-YEAR BUDGET. MR. HATTERY SUGGESTED LOOKING AT THE FUTURE AS A “HORIZON PROJECT” WITH EXAMINATION OF TRENDS “BEING MOST USEFUL TO LEGISLATORS/DEPTS.”</b></p>	<p><b>2.c.</b> By May 14, 2007, review the 2004 report prepared by the Budget Community Advisory Panel (CAP), and then engage this group in a process of prioritizing those recommendations that best complement the 3-year financial plan initiative (see strategic objective 2.b). <b>DONE</b></p> <p><b>2.d.</b> By April 2, 2007, work with the County Public Information Officer and the Public Information Advisory Board to design, schedule, and conduct up to 3 community forums on current budget challenges and concerns related to service/program availability and delivery. The forum design will support the following objectives: (i) to improve public understanding of and confidence in current budget development/management processes, and (ii) to gather citizen feedback regarding the performance of county government functions in the most cost-effective manner possible. Information gleaned from these meetings will be used to inform the development of the proposed 3-year financial plan as well as the development of the 2008 budget (see goal 1). <b>DONE</b></p>

<p><b>Goal 3—Ensure efficiency of current resource allocation and management systems.</b></p>	<p><b>Problem/Need:</b> To maintain and improve resource management practices that support the provision of quality public service to residents, for the common good, in the most cost-effective manner possible.</p>
<p><b>Strategic objective(s):</b></p> <p><b>3.a.</b> By April 23, 2007 complete review and updates to the following sections of the current fiscal policy:</p> <ul style="list-style-type: none"> <li>▪ Section 5.06 Re-appropriation (Carryover or Rollover) of Unspent Funds from Previous Years <b>DONE</b></li> <li>▪ Section 5.04 Maintaining Target Fund Balances <b>Ms. JAYNE WILL LOOK INTO WHAT WORK HAS BEEN DONE.</b></li> <li>▪ Section 2.02 Target Fund Balances</li> <li>▪ Section 3.05 Over-target requests <b>MS. JAYNE WILL LOOK INTO WHAT WORK HAS BEEN DONE.</b></li> </ul> <p><i><b>*Note: Sections 5.04 and 2.02 will need to be reviewed together as both focus on the same topic. In addition, policy review prioritization should correspond with the current budget process and the sequencing of related events and tasks to ensure continuity.</b></i></p> <p><b>3.b.</b> By February 12, 2007, confirm with the Finance Director appropriate protocol for coordination between the Finance Department and the newly established Audit Sub-committee as determined by the pending Federal mandate. <b>INITIAL MEETING TOOK PLACE WITH AUDITORS</b></p>	<p><b>3.c.</b> By March 12, 2007 confirm with Committee members, the County Administrator, and the Finance Director a useful and informative process for monitoring changes in the NY State and Federal budgets and their potential impact on the County's fiscal health. <b>DONE YEAR-AROUND</b></p> <p><b>3.d.</b> By April 9, 2007, assemble a work team to include the County Administrator, 2 Legislators, and up to 4 Department Heads to develop an effective process for routinely exploring revenue options and cost saving strategies for promoting long-range fiscal viability. The process should ensure constructive feedback from all Department Heads and Legislators and should complement current fiscal policy and budget development processes. <b>CORE PROCESS REVIEW BEING WORKED ON</b></p> <p><b>3.e.</b> By April 30, 2007 complete a plan for training Legislators on the current budget process and associated decision-making tools. The plan should also include a method for ongoing information sharing by all Legislators to enable their ability to review fiscal policy questions throughout the year. The Committee will work directly with the Department of County Administration in developing the training plan with an expected implementation date of June 15, 2007. <b>WORK NEEDS TO BE DONE, SEE BELOW</b></p>

Goal 3.e. Mr. Booth wondered whether there would be any “generic” budget training available in the community that would be useful to Legislators. Ms. Herrera spoke of a training session she attended for members of the Industrial Development Agency and stated a presentation was made by Jack Little of Ciaschi, Dietershagen, Mikelson and Little. She said she found the presentation to be very informative, and suggested Legislators may find it useful as well.

It was suggested that the fall '07 Expanded Budget Committee meetings begin with a tutorial on how to read documents being presented; and for staff to identify key assumptions made in the proposed budget including what factors are driving the numbers.

There was a brief discussion with regard to defining what information departments should present to the Expanded Budget Committee and if we should seek a common format, such as the Core Performance Framework. This is an area that is being worked on, and suggestions maybe made at the July 12 budget training.

**Revenue Options/Cost Savings**

Mr. Whicher said the goals and purposes of the Core Performance Subcommittee (to review revenue options and cost-saving strategies in a unified manner) will be discussed by department heads this week. Ms. Younger assembled resources for departments about how to present material to

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Legislators and will be presenting this at the meeting. He said when this was first presented to department heads, there were concerns that this would be another layer of bureaucracy; he thinks those concerns will be resolved after the meeting this week.

Mr. Shinagawa volunteered to serve on the “Core Performance” subcommittee. Ms. Herrera suggested the subcommittee be referred to as a “team” and said it would be better received if it were tied to a specific timeline.

Mr. Booth spoke of the Expanded Budget Committee meetings and stated that each department should not necessarily have to make a presentation; this will depend on what the proposed budget says. He also stated this clearly is not a time for department heads to explain to Legislators the functions of departments. The purpose is to focus on those over-target requests that are most important to the department and to identify any “lurking unknowns”.

### **Adjournment**

The meeting adjourned at 4:45 p.m.