

**Budget and Capital Committee
September 10, 2007
Scott Heyman Conference Room
3:30 p.m.**

APPROVED

Present: M. Koplinka-Loehr, M. Hattery, R. Booth
Excused: K. Herrera, N. Shinagawa
Staff: S. Whicher, N. Jayne, M. Lynch, County Administration; D. Squires, Finance; M. Pottorff,
Legislature Office
Guests: Ithaca Journal reporter

Call to Order

Mr. Koplinka-Loehr called the meeting to order at 3:33 p.m.

Changes to the Agenda

There were no changes to the agenda

Approval of Minutes of August 27, 2007

It was MOVED by Mr. Hattery, seconded by Mr. Booth, and unanimously adopted by voice vote by members present, to approve the minutes of August 27, 2007 as submitted. MINUTES APPROVED.

Public Comment

No member of the public was in attendance.

Chair's Report

Mr. Koplinka-Loehr spoke of the draft schedule of departmental presentations during the first four Expanded Budget Committee meetings. Staff was asked to include a list of departments not scheduled for presentations and to then circulate the schedule to Legislators and department heads for comment.

Finance Director's Report

Mr. Squires distributed a Contingent Fund report dated September 10, 2007 showing a balance of \$616,988 (beginning balance was \$800,000). He asked Mr. Booth to contact him to set up a meeting of the Audit Subcommittee. Mr. Squires also reported the State Comptroller has lowered the retirement rates for next year; this will impact the 2008 budget by \$200,000. He also reported on Jail overcrowding and said the County has expended under \$200,000 thru August (compared to \$342,000 last year). He noted medical costs and boardout costs are represented in two separate budget lines.

Mr. Hattery asked how the retirement rates are set. Mr. Squires said they are set statutorily so counties will receive plenty of notice because they are setting the rates for a year ahead. It is based upon the April 1 stock market closing (valuations), so counties have at least nine months notice. They are saying they have to have a return of about 11 percent in order to fund the system at a return of nine percent a year. They are saying the market was in over 12 percent, which allowed them to impose a lower rate.

County Administrator's Report

Ms. Jayne distributed an updated spreadsheet showing the 20-year Capital and Debt Program Debt Service and reviewed the following changes that have been or will be made to the document:

Ellis Hollow Road added to spreadsheet;
Highway Federal Aid Projects – amount in years past 2009 will be removed as the Finance Director is unable to predict at this time what those amounts will be;
Highway Equipment – using \$326,466 from Fund Balance in 2008 to pay off debt;
In 2009, 2010, and 2011, Fund Balance monies being used to meet 1% tax levy increase because Capital Reserve will not be established at that point

Mr. Whicher said if the Legislature added target funding in the amount of \$200,000 in 2008 and 2009, the Capital Program could be much stronger moving forward. If a decision was made to do this, the Legislature would need to increase the tax rate or find spending reductions in this amount.

Public Information Officer's Report

Ms. Lynch reported the Community Budget Forum will be held on October 1 at Boynton Middle School. The Public Information Advisory Board (PIAB) met last week and talked about whether there should be a preliminary budget forum when there will be a formal public hearing prior to budget adoption. Ms. Lynch said the (PIAB) discussed this and concluded that the community budget forum should continue although it was acknowledged there will be times when the budget will not be as controversial as it is during difficult financial times. The PIAB felt the process is essential in terms of input gained on the budget itself in addition to the value in communicating efforts by the County to gain input from the public. Mr. Booth said he thinks the forum is useful but suggested County Administration limit the amount of staff time allocated to the forum.

Mr. Koplinka-Loehr and Ms. Lynch will meet to draft an op-ed for the Ithaca Journal that will provide an overview and highlights of the proposed 2008 budget.

Mr. Hattery said if the County wants to get the public's perception of priorities, he thinks this can only be done through a survey of residents. *Ms. Lynch will take this suggestion to the Public Information Advisory Board.*

TC3 Master Plan

Mr. Squires reviewed a spreadsheet with the Committee detailing the financing of the Master Plan. Mr. Booth asked how the resolution being presented to the Committee relates to the disagreement with the College with regard to the interest. Mr. Squires said he thinks the College only looked at what the sponsors were contributing to the project and didn't consider the interest that would be charged. When he presented the actual cost of what was borrowed showing interest it became clear they hadn't anticipated that. Mr. Squires said he does not think the cash flow from charge-backs will be sufficient to pay Tompkins and Cortland Counties back the interest amount. The Committee expressed their hope that the issue with the interest could be resolved as quickly as possible and developed the following resolution during the meeting.

RESOLUTION NO. – AUTHORIZING THE DIRECTOR OF FINANCE TO DEVELOP A MEMORANDUM OF UNDERSTANDING WITH TOMPKINS CORTLAND COMMUNITY COLLEGE AND CORTLAND COUNTY

It was MOVED by Mr. Booth, seconded by Mr. Hattery, and unanimously adopted by voice vote by members present, to approve the following resolution and submit to the full Legislature:

WHEREAS, Tompkins Cortland Community College and its sponsors Cortland County and Tompkins County, and New York State have approved a \$34,053,262 Campus Master Plan to upgrade and expand its facilities, and

WHEREAS, Tompkins Cortland Community College has pledged \$3,000,000 from a Capital Campaign, and \$9,451,631 from Capital Chargeback Fund to reimburse the sponsors for financing the project during construction, and

WHEREAS, Tompkins County has borrowed \$4,000,000 over and above its stated \$3,038,000 local share of the project, and is in the process of authorizing an additional \$2,900,000 of financing to support remaining cash flow requirements of the project, now therefore be it

RESOLVED, on recommendation of the Budget and Capital Committee, That the Finance Director develop a Memorandum of Understanding with Tompkins Cortland Community College and Cortland County to formally delineate the schedule of repayment of funds advanced to the project by the sponsors,

RESOLVED, further, That no additional funds be released to the project until the Memorandum of Understanding has been approved.

SEQR ACTION: TYPE II-20

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RESOLUTION NO. - AUTHORIZING THE ISSUANCE OF UP TO \$2,900,000 SERIAL BONDS OF THE COUNTY OF TOMPKINS, NEW YORK, TO PAY PART OF THE \$10,990,511 COUNTY OF TOMPKINS SHARE OF THE TOMPKINS CORTLAND COMMUNITY COLLEGE CAMPUS MASTER PLAN RECREATIONAL FACILITY IMPROVEMENT

It was MOVED by Mr. Booth, seconded by Mr. Hattery, and unanimously adopted by voice vote by members present, to approve the following resolution and submit to the full Legislature:

WHEREAS, all conditions precedent to the financing of the capital project hereinafter described, including compliance with the provisions of the State Environmental Quality Review Act, have been performed, and

WHEREAS, by resolution adopted on February 7, 2006, by the County Legislature of the County of Tompkins (the "County"), the County authorized the issuance of \$4,000,000 serial bonds to finance a portion of the County's share of the Tompkins Cortland Community College Campus Master Plan recreational facility improvement project (the "Project") on the campus of the Tompkins Cortland Community College estimated at the time to be \$10,246,000, and

WHEREAS, the estimated cost of the County's share of the Project has since increased to \$10,990,511, and

WHEREAS, it is now desired to authorize additional financing for the Project, now therefore be it

RESOLVED, on recommendation of the Budget and Capital Committee, by the Tompkins County Legislature of the County of Tompkins, New York, as follows:

Section 1. For the class of objects or purposes of paying a portion of the \$10,990,511 County of Tompkins' share of the Tompkins Cortland Community College Campus Master Plan recreational facility improvement on the campus of the Tompkins Cortland Community College, including incidental expenses in connection therewith, in and for said County of Tompkins, New York, there are hereby authorized to be issued up to \$2,900,000 serial bonds of said County of Tompkins pursuant to the provisions of the Local Finance Law.

Section 2. It is hereby determined that the maximum estimated cost of such specific object or purpose is \$10,990,511, and that the plan for the financing thereof is by the issuance of up to \$2,900,000 serial bonds of said County of Tompkins, New York, authorized to be issued pursuant to this bond resolution, together with the application of (i) the proceeds of the County's \$4,000,000 serial bonds

authorized by resolution dated February 7, 2006, (ii) \$3,665,537 of the proceeds of the previous sale of the County's tobacco assets, (iii) and \$745,000 of other funds available to the County.

Section 3. It is hereby determined that the period of probable usefulness of the aforesaid specific object or purpose is thirty years, pursuant to subdivision 11 of paragraph a of Section 11.00 of the Local Finance Law. It is hereby further determined that the period of probable usefulness will exceed five years.

Section 4. Subject to the provisions of the Local Finance Law, the power to authorize the issuance of and to sell bond anticipation notes in anticipation of the issuance and sale of the serial bonds herein authorized, including renewals of such notes, is hereby delegated to the County Director of Finance, the chief fiscal officer. Such notes shall be of such terms, form and contents, and shall be sold in such manner, as may be prescribed by said County Director of Finance, consistent with the provisions of the Local Finance Law.

Section 5. The faith and credit of said County of Tompkins, New York, are hereby irrevocably pledged for the payment of the principal of and interest on such bonds as the same respectively become due and payable. An annual appropriation shall be made in each year sufficient to pay the principal of and interest on such bonds becoming due and payable in such year. There shall annually be levied on all the taxable real property of said County a tax sufficient to pay the principal of and interest on such bonds as the same become due and payable.

Section 6. Such bonds shall be in fully registered form and shall be signed in the name of the County of Tompkins, New York, by the manual or facsimile signature of the County Director of Finance and a facsimile of its corporate seal shall be imprinted or impressed thereon and may be attested by the manual or facsimile signature of the County Clerk.

Section 7. The powers and duties of advertising such bonds for sale, conducting the sale and awarding the bonds, are hereby delegated to the County Director of Finance, who shall advertise such bonds for sale, conduct the sale, and award the bonds in such manner as he or she shall deem best for the interests of the County; provided, however, that in the exercise of these delegated powers, he or she shall comply fully with the provisions of the Local Finance Law and any order or rule of the State Comptroller applicable to the sale of municipal bonds. The receipt of the County Director of Finance shall be a full acquittance to the purchaser of such bonds, who shall not be obliged to see to the application of the purchase money.

Section 8. All other matters, except as provided herein relating to such bonds including determining whether to issue such bonds having substantially level or declining annual debt service and all matters related thereto, prescribing whether manual or facsimile signatures shall appear on said bonds, prescribing the method for the recording of ownership of said bonds, appointing the fiscal agent or agents for said bonds, providing for the printing and delivery of said bonds (and if said bonds are to be executed in the name of the County by the facsimile signature of the County Director of Finance, providing for the manual countersignature of a fiscal agent or of a designated official of the County), the date, denominations, maturities and interest payment dates, place or places of payment, and also including the consolidation with other issues, shall be determined by the County Director of Finance. It is hereby determined that it is to the financial advantage of the County not to impose and collect from registered owners of such serial bonds any charges for mailing, shipping and insuring bonds transferred or exchanged by the fiscal agent, and, accordingly, pursuant to paragraph c of Section 70.00 of the Local Finance Law, no such charges shall be so collected by the fiscal agent. Such bonds shall contain substantially the recital of validity clause provided for in section 52.00 of the Local Finance Law and shall otherwise be in such form and contain such recitals in addition to those required by section 52.00 of the Local Finance Law, as the County Director of Finance shall determine.

Section 9. The temporary use of available funds of the County, not immediately required for the purpose or purposes for which the same were borrowed, raised or otherwise created, is hereby authorized pursuant to Section 165.10 of the Local Finance Law, for the capital purposes described in Section 1 of this resolution. The reasonably expected source of funds to be used to initially pay for the expenditures authorized by Section 2 of this resolution shall be from the County's General Fund. It is intended that the County shall then reimburse expenditures from the General Fund with the proceeds of the bonds and bond anticipation notes authorized by this resolution and that the interest payable on the

bonds and any bond anticipation notes issued in anticipation of such bonds shall be excludable from gross income for federal income tax purposes. This resolution is intended to constitute the declaration of the County's "official intent" within the meaning of Treasury Regulation Section 1.150-2 to reimburse the expenditures authorized by this resolution with the proceeds of the bonds and bond anticipation notes authorized herein. Other than as specified in this resolution, no monies are reasonably expected to be, received, allocated on a long-term basis, or otherwise set aside with respect to the permanent funding of the objects or purposes described herein.

Section 10. The validity of such bonds and bond anticipation notes may be contested only if:

(1) Such obligations are authorized for an object or purpose for which said County is not authorized to expend money, or

(2) The provisions of law which should be complied with at the date of publication of this resolution are not substantially complied with, and an action, suit, or proceeding contesting such validity is commenced within twenty days after the date of such publication, or

(3) Such obligations are authorized in violation of the provisions of the Constitution.

Section 11. This resolution, which takes effect immediately, shall be published in full in The Ithaca Journal, the official newspaper of said County, together with a notice of the Clerk of the County Legislature in substantially the form provided in Section 81.00 of the Local Finance Law.

SEQR ACTION: TYPE II-20

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RESOLUTION NO. - AUTHORIZING THE ISSUANCE OF \$3,500,000 SERIAL BONDS OF THE COUNTY OF TOMPKINS, NEW YORK, TO PAY A PORTION OF THE COST OF ACQUIRING AN OFFICE BUILDING AND RELATED DESIGN SERVICES

It was MOVED by Mr. Booth, seconded by Mr. Hattery, and unanimously adopted by voice vote by members present, to approve the following resolution and submit to the full Legislature:

WHEREAS, Tompkins County (the "County"), a local agency pursuant to the New York State Environmental Quality Review Act ("SEQRA"), ECL Section 8-0101, *et seq.*, and implementing regulations, 6 NYCRR Part 617 (the "Regulations"), having reviewed the impact of a capital improvement project consisting of the acquisition of a ground lease interest in approximately 5.4 acres located at 55 Brown Road in the Village of Lansing, New York, the purchase of certain improvements located thereon consisting of an approximately 33,054 square foot, two story office building, and the renovation and reconstruction of such improvements (collectively, the "Project"), upon the environment, previously determined by resolution dated September 10, 2007, that the Project will not result in any significant adverse environmental impacts, and

WHEREAS, it is now desired to authorize the undertaking and financing of the acquisition of the improvements located at 55 Brown Road in the Village of Lansing, New York, together with the preparation of related architectural and engineer design plans, now therefore be it

RESOLVED, on recommendation of the Budget and Capital Committee, and by the County Legislature of the County of Tompkins, New York, as follows:

Section 1. For the class of objects or purposes of paying a portion of the cost of acquisition of certain improvements located on approximately 5.4 acres located at 55 Brown Road in the Village of Lansing, New York, consisting of an approximately 33,054 square foot, two story office building, together with the preparation of related architectural and engineer design plans, and all other necessary costs incidental to such work, including preliminary costs and costs incidental thereto and the financing thereof, there are hereby authorized to be issued \$3,500,000 serial bonds of the County of Tompkins, New York, pursuant to the provisions of the Local Finance Law.

Section 3. It is hereby determined that the maximum estimated cost of the aforesaid class of objects or purposes is \$3,500,000 and that the plan for the financing thereof is by the issuance of up to \$3,500,000 serial bonds hereby authorized to be issued pursuant to this bond resolution and the levy and

collection of taxes on all the taxable real property in the County to pay the principal of said bonds and the interest thereon as the same shall become due and payable.

Section 4. It is hereby determined that the period of probable usefulness of the aforesaid class of objects or purposes is thirty years under subdivision 11(a)(1) of paragraph a. of Section 11.00 of the Local Finance Law. It is hereby further determined that the maximum maturity of the serial bonds herein authorized will exceed five years.

Section 5. Subject to the provisions of the Local Finance Law, the power to authorize the issuance of and to sell bond anticipation notes in anticipation of the issuance and sale of the serial bonds herein authorized, including renewals of such notes, is hereby delegated to the County Director of Finance, the chief fiscal officer. Such notes shall be of such terms, form and contents, and shall be sold in such manner, as may be prescribed by said County Director of Finance, consistent with the provisions of the Local Finance Law.

Section 6. The faith and credit of said County of Tompkins, New York, are hereby irrevocably pledged for the payment of the principal of and interest on such bonds as the same respectively become due and payable. An annual appropriation shall be made in each year sufficient to pay the principal of and interest on such bonds becoming due and payable in such year. There shall annually be levied on all the taxable real property of said County a tax sufficient to pay the principal of and interest on such bonds as the same become due and payable.

Section 7. Such bonds shall be in fully registered form and shall be signed in the name of the County of Tompkins, New York, by the manual or facsimile signature of the County Director of Finance and a facsimile of its corporate seal shall be imprinted or impressed thereon and may be attested by the manual or facsimile signature of the County Clerk.

Section 8. The powers and duties of advertising such bonds for sale, conducting the sale and awarding the bonds, are hereby delegated to the County Director of Finance, who shall advertise such bonds for sale, conduct the sale, and award the bonds in such manner as he or she shall deem best for the interests of the County; provided, however, that in the exercise of these delegated powers, he or she shall comply fully with the provisions of the Local Finance Law and any order or rule of the State Comptroller applicable to the sale of municipal bonds. The receipt of the County Director of Finance shall be a full acquittance to the purchaser of such bonds, who shall not be obliged to see to the application of the purchase money.

Section 9. All other matters, except as provided herein relating to such bonds including determining whether to issue such bonds having substantially level or declining annual debt service and all matters related thereto, prescribing whether manual or facsimile signatures shall appear on said bonds, prescribing the method for the recording of ownership of said bonds, appointing the fiscal agent or agents for said bonds, providing for the printing and delivery of said bonds (and if said bonds are to be executed in the name of the County by the facsimile signature of the County Director of Finance, providing for the manual countersignature of a fiscal agent or of a designated official of the County), the date, denominations, maturities and interest payment dates, place or places of payment, and also including the consolidation with other issues, shall be determined by the County Director of Finance. It is hereby determined that it is to the financial advantage of the County not to impose and collect from registered owners of such serial bonds any charges for mailing, shipping and insuring bonds transferred or exchanged by the fiscal agent, and, accordingly, pursuant to paragraph c of Section 70.00 of the Local Finance Law, no such charges shall be so collected by the fiscal agent. Such bonds shall contain substantially the recital of validity clause provided for in section 52.00 of the Local Finance Law and shall otherwise be in such form and contain such recitals in addition to those required by section 52.00 of the Local Finance Law, as the County Director of Finance shall determine.

Section 10. The temporary use of available funds of the County, not immediately required for the purpose or purposes for which the same were borrowed, raised or otherwise created, is hereby authorized pursuant to Section 165.10 of the Local Finance Law, for the capital purposes described in Section 2 of this resolution. The reasonably expected source of funds to be used to initially pay for the expenditures authorized by Section 3 of this resolution shall be from the County's General Fund. It is intended that the County shall then reimburse expenditures from the General Fund with the proceeds of the bonds and bond anticipation notes authorized by this resolution and that the interest payable on the

bonds and any bond anticipation notes issued in anticipation of such bonds shall be excludable from gross income for federal income tax purposes. This resolution is intended to constitute the declaration of the County's "official intent" within the meaning of Treasury Regulation Section 1.150-2 to reimburse the expenditures authorized by this resolution with the proceeds of the bonds and bond anticipation notes authorized herein. Other than as specified in this resolution, no monies are reasonably expected to be, received, allocated on a long-term basis, or otherwise set aside with respect to the permanent funding of the objects or purposes described herein.

Section 11. The validity of such bonds and bond anticipation notes may be contested only if:

- 1) Such obligations are authorized for an object or purpose for which said County is not authorized to expend money, or
- 2) The provisions of law which should be complied with at the date of publication of this resolution are not substantially complied with, and an action, suit or proceeding contesting such validity is commenced within twenty days after the date of such publication, or
- 3) Such obligations are authorized in violation of the provisions of the Constitution.

Section 12. This resolution, which takes effect immediately, shall be published in full in The Ithaca Journal, the official newspaper of said County, together with a notice of the Clerk of the County Legislature in substantially the form provided in Section 81.00 of the Local Finance Law.

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RESOLUTION NO. - SCHEDULING A PUBLIC HEARING ON THE 2008 TOMPKINS COUNTY BUDGET AND THE 2008-2012 TOMPKINS COUNTY CAPITAL PROGRAM

It was MOVED by Mr. Booth, seconded by Mr. Hattery, and unanimously adopted by voice vote by members present, to approve the following resolution and submit to the full Legislature:

WHEREAS, the tentative 2008 Tompkins County Budget and the 2008 – 2012 Tompkins County Capital Program are scheduled to be adopted on November 20, 2007, now therefore be it

RESOLVED, on recommendation of the Budget and Capital Committee, That a public hearing be held before the Tompkins County Legislature in Legislative Chambers, located at 320 North Tioga Street, Ithaca, New York on Tuesday, November 13, 2007, at 7:00 o'clock in the evening thereof concerning the review of the tentative 2008 Tompkins County Budget and the 2008 – 2012 Tompkins County Capital Program. At such time and place all persons interested in the subject matter will be heard concerning the same,

RESOLVED, further, That the Clerk of the Legislature is hereby authorized and directed to place proper notice of such public hearing in the official newspaper of the County.

SEQR ACTION: TYPE II-20

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General Revenue Summary

The Committee briefly reviewed an updated General Revenue Summary dated 9-10-07. Mr. Whicher reviewed changes that had been made to the document since the Committee last reviewed it. Mr. Whicher cautioned the Legislature to not reduce the Fund Balanced any further.

Adjournment

The meeting adjourned at 4:45 p.m.

Respectfully submitted by Michelle Pottorff, TC Legislature Office