

Budget Hearing Minutes
Audit & Control Committee
Friday, October 4, 2019, 2:00 p.m., Room 331 & 333
Gerace Office Building, Mayville, NY

Members Present: AC: Chagnon, Nazzaro, Gould, Muldowney, Niebel

Others: Tampio, Dennison, Hansen, Lis, Anderson, Crow, Hemmer, Wendel,

Chairman Chagnon called the meeting to order at 2:00 p.m.

Chairman Chagnon: We will let you lead and we will try to follow.

Ms. Lis: Kathleen can jump in because we did discuss some of these and if we have a question she can help us out. So, I'll just kind of go in order here.

Chairman Chagnon: Start us with an account number or something-

Ms. Lis: Yeah, well the first one was the A.6010- overtime. We were looking at that and you said why- well the question was why is the budget \$25,000- what part of your actual was \$81,000?

Mrs. Dennison: Could you read the account number?

Ms. Lis: It's going to be A.6010 personal services overtime- its (*inaudible*) I believe.

Chairman Chagnon: It's tab 31.

Ms. Lis: It's page 33 in my stuff.

Chairman Chagnon: It's tab 31 in our books-

Ms. Lis: Right and its page 33 of 43-

Chairman Chagnon: If we're in the detail it's 3 of 11.

Ms. Lis: It would help if we see something like you see because we can't talk the same language when we come here. I've noticed that the last few years.

Mrs. Dennison: You can see exactly- (*cross-talk.*)

Ms. Lis: I've got this thing- it says 2020 tentative blah blah blah. This is what I have. Anyway it doesn't go in the book the same way.

Chairman Chagnon: its expenses for A.6010?

Ms. Lis: A.6010 and the expense code is 1200- overtime pay.

Chairman Chagnon: Right.

Ms. Lis: So, we have \$25,000 in our budget and the prior actual was \$81,000. So, that's actually not- part of your actual was actually \$107,000. The 2019 up to June was the \$81,000 number. To be honest we've budgeted \$25,000 in that account the past few years. We do use our regular 6010 to cover for that because a lot of that overtime is to cover for empty positions. So, honestly we didn't put a lot of thought into that number because it was- we would just borrow from there because we knew we had empty positions that this overtime was covering for in some cases. In some cases it's truly overtime. Now that we have done that expected turnover savings, which we didn't go back and revisit overtime after we did that, that maybe I would like to put some money in there. So, what we decided to do and I have a summary of this but not with absolutely specific account codes- I'll get that later, is we'd like to increase that budget to \$100,000. Now, we have a whole bunch of things- we went and found other things, so don't be alarmed at this point because in total here we've got a small decrease in local share in the end. O.K.? Because we knew we wouldn't be able to say give us \$75,000.

Legislator Niebel: Right. Some of us would have a problem with that.

Ms. Lis: Right. So, if that's O.K. with you, we'd like to make that number be a little more realistic now that we don't have the other amount to rely on any longer. O.K.?

Chairman Chagnon: O.K., keep going.

Ms. Lis: Well that's the one for that one because if you go back in the past we have been spending a lot there and we actually are budgeting less than we had been spending because we used to have – what were those called when they would do the-

Mr. Anderson: Blitz.

Ms. Lis: We're not doing the blitz's anymore. So we had been spending more than that, but we're bringing it down to where we expect it to be.

Legislator Niebel: You guys use to do the blitz's on weekends plus week nights?

Mr. Anderson: That's correct.

Legislator Niebel: You had a supervisor and did you also have a deputy besides the case supervisor on call?

Mr. Anderson: We always have people on call. They could be at the deputy commissioner level, director level and then then supervisor-

Legislator Niebel: Case A or case B?

Mr. Anderson: Case B Supervisor would be there supervising the afterhours blitz's.

Legislator Niebel: Do you have deputies that incur overtime with the blitz's as well?

Mr. Anderson: No-

Ms. Lis: No because-

Legislator Niebel: Just the supervisors?

Mr. Anderson: Those positions are salaried.

Ms. Lis: Yeah, the deputies are salaried.

Legislator Niebel: O.K.

Mr. Anderson: They're not hourly employees.

Chairman Chagnon: Alright, go on.

Ms. Lis: Alright? The next one?

Chairman Chagnon: Continue.

Ms. Lis: Well, that's all for that one. I don't know what else-

Chairman Chagnon: What else do you have?

Ms. Lis: O.K., question two. Question two is our New York State revenue in A.6010, so that would probably be- that isn't really a specific account number, that's more of a grouping- the A.6010 – R300 account. If your book is like ours that would be showing-

Mrs. Dennison: That's on page 1 of 11.

Ms. Lis: Yes because I think you show revenues first.

Mrs. Dennison: The main question was actually on the Excel summary in the projections from a revenue of \$6.5 million to a 2020 budget of \$7.3 million.

Ms. Lis: Right. Now, when I calculated- Jon made copies of my stuff so it's not really in the same order that it was in before.

Legislator Nazzaro: We're talking about New York State aid totals?

Mrs. Dennison: Yes, New York State aid.

Ms. Lis: New York State aid, so it's the whole A.6010.R3 category. When I calculate- first when I calculate the projection, what I do is I take my total projected expenditures for this year and I looked at what our average amount of revenue was over the- from 2016, 2017 and 2018 and what the average percentage was compared to our expenditures and the average over those three years was 24.66%. So, I took 24.66% of my projected expenditures and used that as my projected state revenue. I rounded it up a bit and it came out to \$6,430,000 and some change and I put in \$6,450,000, so that is where I came up with that number. When I do the actual budget I'm going to take the amount that comes through on our claims, which is a mixture of several items that will fluctuate depending on where our expenditures fall and then I added in some other things that we get a regular stipend on. So there's a lot more detail in the budget than there is in that projection. There are some reasons why the one would be higher than the other besides the difference in the way that they are handled.

One of those things is that we have realigned- you've heard of the triple fs?- Flexible fund for family services- a federal amount that we get and we have to make a plan for it every year and we allocate it over different costs- some employment costs, child protective costs- different things. We realigned how we were allocating that so that we will be spending more of our own funding for child protective- let me try to say this right- but we moved- we took triple fs funding out of child welfare costs and put it elsewhere because those child welfare costs will get a 62% state funding on them anyway. So, why waste that triple fs money on them. So, I used that somewhere else where we will not get that 62%, so I'm trying to use those funds in a better manner. I went through the whole plan, I sent something to our state people, we discussed it, and they said yes you're on the right track. I think that's going to bring us in about \$325,000 more in the child welfare settlement

Another thing is that we- the expenditures have gone up. Expenditures for 2019 are about \$500,000 less than we had budgeted for 2020, so that's going to bring an increase in revenue to about \$45,000. We have a new grant in 2020 for \$70,000 – the CAPTA/CARA. So, we have some specific things I can tell you and there's also just a difference in how we calculate them. Finally, another reason why they may look kind of far apart is that when we did that three year averaging to do our projection 2016 was low. It was 21.65%. It's dragging down that whole average percentage which is at 24.6%. 2018 was at 25%, but that's just my projections, so I didn't really-

Legislator Nazzaro: You're not using actual percentages? You're using projected percentages?

Ms. Lis: On the projection. So, I do put some thought into the projection, but I'm really spending my time on the budget number. On the projection I just said this is my average for the last three years, but with my budget I spent a lot more time. There's a difference because of the way I do them. Part of it can be explained because that percentage on the projection might be a little bit low because 2016 was low and makes the whole average low, but then again there really are real life reasons why my numbers higher not just in a kind of vague percentage way. Does that help?

Chairman Chagnon: Yes.

Ms. Lis: O.K.

Chairman Chagnon: So, your projection was low and you can explain the \$320,000 increase budget to budget from tangible items that you have confidence in, that we can have confidence in.

Ms. Lis: Yes. Wonderful. I'm sorry I go on a bit, but that's why I had to tell you I don't know because there is a lot behind these. I feel bad telling you I don't know the first time, but I didn't want to say something incorrect.

Chairman Chagnon: We appreciate that.

Ms. Lis: Number 3 is in A.6055. Now, this is kind of not going to be a specific account either. This is more looking at the summary because the question is revenues are decreasing more than expenses and is this correct?

Legislator Nazzaro: This is child assistance?

Ms. Lis: Yes.

Mrs. Dennison: Daycare.

Ms. Lis: Yes, daycare. It's called childcare, but it's- they call different things different ways. So, what I've done is I'm budgeting 2020 differently than I budgeted in the past. We used to take our expenditures for this and said well on our total expenditures across the board we get about 10% state revenue and then we would say well this is how much our childcare block grant is, that's how much state is taking and we'll give the rest to federal. Well, you know, as I do this every year I get to pay more attention to other items and I said that this didn't look right; this is not really the right way to do this. What we know is that a certain percentage of our cases are state and federal depending on what kind of assistance these people are on. So, instead of taking a percentage over total expenses and then just making it match to the childcare block grant, which we don't spend every year, so that is really not accurate. I said, O.K., here is what we expect our costs to be for this program. About 7% of our costs are spent on state cases and about 93% on federal cases- federally funded. So, when you think that way the state ones are reimbursed at 75% and the federal ones are reimbursed at 100%. So, I've just spent more time and tried to make my information more accurate. I'm not saying we're going to spend that whole childcare block grant because we are not. We're not losing it; it rolls over. There's been a rollover every year for the past several years.

Mrs. Dennison: The short story for this is that Val used a different method to budget 2020 than in 2019, so it's not- it is a different method- it's a different split between federal and state-

Ms. Lis: And also I did take my new way back and ran it through for 2017 and 2018 based on the actuals to see and it came out really close. So, I think my new way is much more reliable. Like I said, that prior budget was over estimated because it was acting like we were spending that whole block grant and we don't. So, what we're getting- this isn't one of the ones like we have some that we're going to get a flat amount no matter what as long as we spend the

total. This one comes in more slowly and is actually based on what we claim for expenditures rather than coming to us in chunks.

Chairman Chagnon: O.K.

Ms. Lis: I hope that makes sense.

Chairman Chagnon: I'm good with Kathleen's help.

Ms. Lis: Again, if you have more questions about this just let me know. I think it's an improvement. It was a better thought process. Number four is on A.6109- federal aid. I think this is kind of (*inaudible*) more from the summary than from the details. The question was why does a decrease in revenue not correspond to the decrease in expenses? I think the main driver here is that we were expecting the revenue decrease by 79%- we were supposed to keep that relationship. The revenue was 79% of expenses, but the comment was a little bit short that - that's the percentage we're using for 2020, that's not the percentage that we used for 2019, so you're not going to see a perfect shift in them together. In 2019 we budgeted federal revenue at 85% and I'll admit that I thought that was high, but we didn't take it down because we weren't sure if we were seeing something unusual or if that was like really what it should be. I meant to budget it lower, but we just didn't think that we should. This year I'm saying that I really want to take that down to what we really are seeing in actuality.

Mrs. Dennison: The other thing that Val shared with me is that in 2019 she budgeted-

Ms. Lis: Oh yeah-

Mrs. Dennison: She budgeted the revenue as a combination of the federal aid and the repays and estimated that to be 85% of the expense. When you mentioned to me the repays don't exactly track in the same way-

Ms. Lis: They don't.

Mrs. Dennison: That was budgeted separately and the federal revenue just on its own is 79% of the expense.

Ms. Lis: Right. I'm trying to summarize and I have this all written down in detail and I'm forgetting things. There's several areas in which we record repays. That's our 100 section. They may come from different sources. People may payback insurance costs, Medicaid costs, and things like that. A lot of it comes through child support. If we collect money through child support we don't have to give that back and I don't think that was something that was thought through properly in the past. I said wait a minute, I know this is true- I've heard it a thousand times, I've seen it, I've looked at the claims- if it's coming from child support we get to keep it basically. So, I pulled- we used to figure out our revenue- we would take our expenses minus repay is (*inaudible*.) Now those repays are coming out of the equation.

Legislator Nazzaro: So really what you're saying, and I now you have a couple more items, is that now that you've been in the job awhile you're now applying what you've learned to try to come up with more accurate numbers based on what you've seen and putting it in the right buckets.

Ms. Lis: I inherited a lot of these budget processes and when I was newer I just blindly followed what they were doing before. I could tell you that a lot of this stuff is percentage based on the DSSI because that's how we're funded. They use to do that for the health side and that's not how we're funded so I changed that. I can only change so much every year because I don't have time. So, it becomes more and more fine-tuned every year.

Legislator Nazzaro: So hopefully we won't- unless something changes we should be more on target with- what you're budgeting should be more of what will actually happen in 2020.

Ms. Lis: Right. Unless something happens we don't know about and there are changes afoot that are coming and we can't quantify because we don't know what they're going to do, but-

Chairman Chagnon: Val that one in particular as well as a couple of others you mentioned were potential risks in this budget that if you had done it incorrectly as it appeared our local share would have gone up?

Ms. Lis: Probably, yes.

Chairman Chagnon: But you're- in this one in particular what you're saying is that your 2020 budget is correct and you've given us the information to understand why it's correct, which reduces the potential risk in the local share for the 2020 budget?

Ms. Lis: I would say so, yes. I used to have to spend a lot of my time on FTE's. We have so many people and it's very hard to track what happened and I'm watching that during the year more so that I don't spend so much time on that during budget season. It could take me a month before my budget season to do people. So, I'm learning more, I'm seeing more, and there's certain things that the state actually didn't explain well to us before that people have been misled as to how we were funded and getting to the bottom of it and actually following through the claims and seeing that and I'm trying to apply that to the budget.

Chairman Chagnon: Good. Thank you. Next one.

Ms. Lis: O.K., we'll go to the second (*inaudible*), which I believe are less long winded. There's less detail there.

Legislator Nazzaro: Less complicated?

Ms. Lis: Yeah. So, number five. The question is in A.6119 – this is the child- I think it's called foster care. This was for- again, this is driven more on the summary than on the details, so

that will be your contractual expenditures in A.6119 and if you look at our budget it was very- it looks very low. Let me get to that page.

Mrs. Dennison: The question- the 2019 budget is \$4,044,173 and then going up to almost \$6 million for 2020. So the question is why is the 2019 budget-

Ms. Lis: So low. Right. If all you're seeing is the 2018 actual to start here- first of all, if you looked at the 2018 budget it was maybe about \$4 million and it was a lot closer to what we budgeted in 2019, so it was less shocking from budget to budget at the time. So, that takes it down a notch as to why this was so wildly low. It wasn't that wildly low at that point. What we saw- our budget in 2018 was \$4,750,000, so we did bring it down but it wasn't anywhere near what the 2018 actual really was. When we were doing our budget for 2019 we were half way through 2018. What we were seeing at that point was we had 29 kids go into care and 20 come out compared to the year before half way through the year 45 kids went in and only 16 came out, so we thought oh, it's looking like things are trending down and you have to realize that it doesn't take a lot of kids to make these expenses move around, especially if you have a family with a few small children it costs a lot of money to take care of them. So, we thought oh, it looks like 2018's going to be a better year, so when we're budgeting for 2019 we're going to assume that we're seeing a trend, but in reality when we get to the end of the year we had 56 kids go in and 58 went in in 2017. It was about the same.

Legislator Niebel: Val, into foster care?

Ms. Lis: This is foster care- foster care in total.

Mr. Anderson: Which includes multiple levels of foster care.

Legislator Niebel: O.K., I just wanted to know what we're talking about here- foster care or institutions-

Ms. Lis: It's all of that. Its children who may be in foster family homes, institutions, and also inside that account are adoption subsidies.

Mr. Anderson: It doesn't include children in OCFS-

Ms. Lis: Right, right.

Legislator Niebel: That includes secure facilities?

Ms. Lis: Yes.

(Cross-talk)

Ms. Lis: So, we were misled by the activity half way through the year. It wasn't as rosy as we expected, so we budgeted too low and now we're coming back with a budget that is more in line with what we've actually seen. We really did budget too low, but that's why.

Legislator Niebel: For 2019?

Ms. Lis: Yes. 2017 and 2018 were very similar, but it all happened in the second half of the year. The next question- question number six was just a mistake. We just budgeted under postage. Remember that one? We budgeted the raise the age costs under postage. Well, that was in account 4770 and it belongs to 4780, so we're moving it.

Mrs. Dennison: I just wanted to point out to the committee that on your changes I did include that as an increase in contractual and a decrease in contractual. Realistically it would not require an amendment because it's a change within the same classification, but I just wanted to make sure that we had your approval to change it from account 4770 to 4870-

Ms. Lis: 4780, I think it is.

Ms. Hansen: It makes it easier for me.

Mrs. Dennison: Yeah, it's really bookkeeping for Jenelle, but I would suggest when you propose your final amendments you would not have to include that because it's just a change within the classification.

Chairman Chagnon: Thank you.

Ms. Lis: So yeah, it was a typo. Thank you for finding that. Question number 7- again, there's not much to say there. It's basically that we're hoping that someone at the legislature level will appeal to New York State to figure out what is going on with the weekly shares for Medicaid.

Legislator Nazzaro: Because you haven't gotten them?

Ms. Lis: Yes. They usually give us the new ones in April and we are not expecting-

Legislator Nazzaro: I called the state and they wouldn't take my call.

Ms. Lis: They've been very dismissive and -

(Cross-talk)

Ms. Lis: That's all we have to say about that. Question 8 is in A.4010- New York State and Federal Revenue. The question was why is budget about \$50,000 less than the 2019 amended budget? If you look at them-

Chairman Chagnon: We're in public health?

Ms. Lis: Yes, A.4010. Those revenues-

Mrs. Dennison: We're mostly looking at the summary rather than-

Ms. Lis: Yes. The summary is kind of how most of these questions were generated. These revenues are actually \$25,673 higher in 2020 than the 2019 budget when you combine the whole grouping together and what's happening there is that we have a new maternal/infant health expansion grant that began in August of this year, so we've only got a partial year of that one in 2019, but you've got a full year of it in 2020 and that's approximately \$75,000 difference-

Chairman Chagnon: Excuse me Val, you've completely lost me.

Ms. Lis: O.K.

Chairman Chagnon: We're on A.4010- Nursing? Public Health? Public Health Administration?

Ms. Lis: It's just regular A.4010 with no nursing or anything attached to it.

Chairman Chagnon: O.K.

Ms. Lis: Here it is.

Mrs. Dennison: The question at the preliminary hearing was why the current budget is less than the amendment budget.

Ms. Lis: Yes. That's what I'm saying- the 2019 amended versus the 2020 budget. If we look at federal and state revenue in this department the two budgets- the difference between them are 2020's revenues are higher than 2019 by \$25,673. The reason for that is that we have a new grant that began in August of this year, so you're only going to see a part of it in 2019, but you're going to see a full years' worth in 2020. So, that brings in about \$75,000 and makes 2020 higher by that much. Secondly, there was a cancer services one year senate award that we received in 2019 that we are not going to have in 2020, so that's a reduction of about \$50,000. So, that's a net increase of about \$25,000. That is the difference. O.K.? Let's move on to number 9.

Chairman Chagnon: O.K.

Ms. Lis: Number 9 is under A.4010 nurse, which should be the next page in your summary. This one- this is the biggie. This is- well, I have not read through what Christine sent me, but this is still in flux. This one- when we were talking about the million where mental hygiene was going to get an extra million and that they already had budgeted for contractual and a million and there was nothing to be given to us because we were under the impression that they're going to help fund part of our programing because it does fall under that grants-

Mr. Anderson: Evidence based practice model.

Ms. Lis: There you go.

Mr. Anderson: And also the target age population.

Ms. Lis: We've been thinking about this for years but actually we had talked to someone and it wasn't me, but that they would on the next year of the grant be sharing some revenue with us because we are doing the work that falls under that grant. The million is a rollover, I believe, of a prior grant. It's not what we're talking about.

Mr. Anderson: It's a one year extension.

Ms. Lis: Right. So, what we're talking about is the next grant period that they are applying for.

Mr. Anderson: There's two aspects to that grant as I understand it. One is the existing SAMHSA dollars that Mental Hygiene received. They had about a million dollars left in that that they were given permission to carry over and then they received additional funding on another SAMHSA grant- I don't know how many years.

Legislator Nazzaro: I just want to make sure we're not double counting for that.

Mrs. Dennison: Mental Hygiene sent me details on their two grants. The SAMHSA grant- what they are- they received a million dollars. They are amending \$150,000 of that revenue into 2019. So, they would like to add \$850,000 into next year and then the other grant is a state grant that they received that's \$400,000 going into next year.

Ms. Lis: We are not interested in that- not to be rude, but that's not what we are looking at. We're looking at the second part of the grant- beyond the million. Now, I don't know if they budgeted that at all into 2020 or when that actually-

Mrs. Dennison: I guess I can't answer that. They just informed me that they have the new SAMHSA grant that's a million dollars and their other grant they have- they have three new ones.

Ms. Lis: This is a \$4 million grant that they just got and it's targeted for the 0-8 and 18-21 age populations and I believe- it might have been Christine, I'm not exactly sure, but she's involved in this- discussing with Rachel Ludwig who is the tapestry coordinator that we were told to submit an application for funding to assist with the nurse family partnership because that's one of the few programs recognized by the federal government as demonstrating results and positively impacting this population. So, we have not actually asked them yet because we have not calculated what we would like to get. I don't know that they have budgeted any of that into their numbers and we have not budgeted any of that into our numbers, but this isn't so much to cover our base program we're doing now- we've always been hoping to expand the program because the program only covers first time mothers, so if there's someone who moved into town and she has a baby already we can't help her or we somehow missed a person. That's what we were hoping to do with working with our DSSI was that we could build a hybrid and actually see

these other people and do more of the same . We have not budgeted for doing more of the same, we have not budgeted any revenue to pay for doing more of the same. So-

Chairman Chagnon: It went back in the budget?

Ms. Lis: Yes. Now, I don't know in the end what it will be but whatever happens is going to be a resolution and I would hope that it would be no impact at that point.

Chairman Chagnon: And if Mental Hygiene has included the whole revenue in their budget then it would be a transfer between departments- total county budget, no impact.

Ms. Lis: We just really- it's just so new.

Chairman Chagnon: It's just something to talk about?

Ms. Lis: Right.

Chairman Chagnon: But as far as the budget is concerned, all that's budget neutral?

Ms. Lis: Exactly. We're working on the details right now. There's a lot to it.

Legislator Niebel: Val, it's for \$4 million?

Ms. Lis: Yes. I'm not sure over what time period.

Legislator Niebel: That's what I was going to ask next. Is there a time period?

Ms. Lis: It's not our grant, so- oh, it says over the next four years. I have a press release here and it says \$4 million over the next four years.

Legislator Niebel: O.K.

Ms. Lis: O.K.?

Chairman Chagnon: Can we go back to the previous one?

Ms. Lis: Which was the one about?

Chairman Chagnon: Public Health Administration.

Ms. Lis: Oh, O.K.

Chairman Chagnon: And the question there, at least from looking at my notes, was that in 2019 budget you had budgeted for state aid, which was improperly budgeted there and it should have been in federal aid. So, the amended budget between the combination of the federal aid and the improperly budgeted New York State aid was \$198,000 in the 2019 amended budget.

Ms. Lis: O.K.

Chairman Chagnon: And now the 2020 budget is \$144,000.

Ms. Lis: This is perplexing me a little bit because I actually went in and looked at the actual stuff to answer the question. There was a late budget amendment that was put in in July and maybe that's what's throwing me. What was that budget amendment for? It was for about \$50,000? I think that may be why we're a little bit off. I'll have to look again.

Chairman Chagnon: So, it's possible that the federal aid was increased by \$50,000 to properly allocate where the money was coming from but the New York State Aid was not decreased by the same amount?

Ms. Lis: No, I'm not going to say that.

Chairman Chagnon: O.K.

Ms. Lis: I'm going to go look closer because when I looked at my stuff I had to update my stuff because there was a budget amendment. I'm not sure if that's in here. So, I'll get back to you. I'll send it to you in an email and then you can share?

Chairman Chagnon: O.K. I'm going to circle this and I'll work on that when I get back to my desk. I did look at- I think that's why it looks more confusing than it is because there's something fundamentally wrong there that will explain it.

Mrs. Dennison: Val, if I could just ask a question. When we discussed this during the committee what it appears to me is that in the contractual cost- the contractual costs from the amended budget are going down \$50,000. So, when I see the New York State aid also go down by \$50,000 I was wondering if those two are tracking together. If there's a grant that's in the amended budget that no longer-

Ms. Lis: Well, there could be. There's several grants in there but like I said, we had the \$50,000 cancer services one time legislative award and actually that was a pass through because we don't do cancer services anymore, so it should have been a decrease of \$50,000 in revenue as well as in contractual for that particular item. The question that I got was why is the budget \$50,000 less than the 2019 amended budget, so that's what I was looking at. I'll look more closely into that because there's several little items in there that are just fighting against each other. I don't think its one thing. I'll get back to you on that really soon. O.K.? Number 10 is A.4010- Overtime. You'll have to flip back- well, actually it's going to be in your detail, but its account 1200 under department A.4010.

Chairman Chagnon: Administration? Nursing?

Ms. Lis: Yes. Public Health Admin- so, it'll be A.4010 1200. Want to tell everybody else what page you're on?

Mrs. Dennison: 7 of 25- tab 32.

Ms. Lis: So, if I'm looking at the right thing this went up by \$3,000 from the 2019 budget to the 2020 budget, right? Our 2019 budget was only \$1,000, which is inadequate because we're already at \$2,268 in overtime through June. For 2017 we had \$3,885 in overtime and in 2018 we had \$2,357. So, that 2019 budget is just too low. I thought that it seemed prudent to go up to \$4,000. I could maybe take it down a little bit, but I thought since we were at \$3,800 in 2017 I would have that little- I mean, I would only take it down \$500 or \$1,000 at the most.

Chairman Chagnon: I'm good with that.

Ms. Lis: O.K. Number 11- O.K., now we are on A.4010 Nurse, which is the one that's A.4010- Nursing and we're in account number 4130. It should be only a page or two beyond where you were.

Chairman Chagnon: Medical supplies?

Ms. Lis: Yes. Now we did just that up from about \$60,000 to about \$120,000. This is all family planning. When I budget for family planning I take what we budgeted in the grant paperwork to the state and that's what I budget for. That's not necessarily what we're going to spend. We actually had a lot of stuff in stock earlier so we did not spend- we took our budget down in 2019 knowing that we had that stock. Also, the (*inaudible*) isn't as high as the grant would allow. So, we said O.K. we really haven't been spending \$120,000 in that over the past few years. There's some complications to this because of the title twenty decoupling, for lack of a better word, from the federal rules for family planning. We're going to lose that funding but the state's going to make up the difference. We're not exactly sure what the (*inaudible*) pricing that we have been able to use is going to- will we be able to continue with that or not? So far, it sounds like we will be, but it doesn't seem right. So, we're buying a few things ahead of time in case it goes up and- so we might have a price increase next year but we're trying to buy ahead for next year. So we said you know what, we're going to take it back down to \$60,000 and we think that is probably an appropriate number.

Chairman Chagnon: O.K., so that would decrease the budget by \$60,750?

Ms. Lis: Right.

Chairman Chagnon: O.K.

Ms. Lis: I believe this is the last one- Public Health Manage Services. This is where you had me (*inaudible*) because I don't talk that way- these groupings don't really come into my real life- everyday life and-

Chairman Chagnon: The department number?

Ms. Lis: You're looking probably at the summary. You're not really looking at a specific account and you're looking at the first page of the summary where things are grouped like that and if you looked at (*inaudible*) Manage Services what that is is our education for handicapped children and our early intervention.

Chairman Chagnon: You still lost me.

Ms. Lis: Go to the summary-

Mrs. Dennison: The local share summary-

Ms. Lis: Local share summary-

Chairman Chagnon: O.K., all the way back.

Ms. Lis: Yeah, the very first page. So, in what you were looking at when you were talking about the \$936,000 increase in revenue from the 2019 budget to the 2020 budget. That really boils down to our preschool and early intervention. If you look at it more closely it's really preschool because early interventions only going up \$20,000. That's where this increase is coming from. Your question was- is saying that I projected earlier this year that public health (*inaudible*) will be \$300,000 under budget. It's a little bit apples and oranges because health includes that grouping, but I was not talking about that grouping and I also wasn't really saying a \$300,000 shortfall. What I was saying at the time was that we weren't going to have that cooperative agreement which we've already discussed- that one for \$355,000 between our DSSI and our nursing side. So, we kind of grouped a couple things together that don't really belong together. When you said this I said alright I'm going to take a look at why the revenue increased in that managed services grouping because that seemed to be the real question. Again, as I said before, the real increase is in our preschool rather than our early intervention, so I went there. There are a couple of different funding sources for preschool. The smaller one is our Medicaid funding and we increased that by \$178,000. This number depends on who comes to us, how complicated these children are, what they need- it's not something that we really- it's sort of our of our hands, really. We don't have a good relationship with it. It's fluctuated from the mid \$300,000 up to \$700,000 over the last few years and it bounces. It's not a trend that you can follow. So, it was \$705,000 in 2018. In 2019 we're about \$250,000 through June. This isn't an account that's a half way through the year kind of deal. This is heavily weighted toward the end of the year. They don't let us claim until they open when they call an AVL. We can't claim it and then they- we track it, but what we have to do is accrue it at the end of the year because if you look at our activity during the year it's really only what we've been able to bill. I think the 2019 budget was a bit low because I'm thinking we are going to be in the- I think that what our budget is reasonable compared to what we're seeing happen over the last couple of years and that's only \$178,000 of the \$936,000. O.K.? The majority of our revenue comes from state revenue and that is a 59.5% reimbursement against tuition we pay and transportation that we pay not including summer school. Those costs were budgeted at about a million dollars less than they - in 2019 than they are in 2020. So, what you take that into effect our revenue would be going up. I did find a mistake in there. I forgot to subtract summer school when I did the 2020 budget, so I think

I need to take about \$89,000 out of my revenue for preschool because I included that, but we found other things that we're going to cover that with.

Mrs. Dennison: The summer school revenue- is it double counted?

Ms. Lis: No. It's not the summer school- it's the summer school cost and that cost we pay our share of flat out, so we don't get 59% on it. I have to yank it out before I can do my 59.5% and the accounts buried in the midst of all the other ones I do use. I did do that right for 2019 and I missed it on 2020. There was a little mistake in there. I do think that should go down by about \$89,000, but I think that there was a miscommunication in what I was trying to put across with that \$300,000 decrease. It doesn't really have to do with that \$900,000, but still I went to look at the \$900,000 thinking I should. Does that make sense? So, what we've got here- I only made one copy of this. I did not make a bunch of them. What we did is we decided that we needed to look at some of our other items that we had budgeted to make up for these things that we're doing now.

Chairman Chagnon: Before you go there-

Ms. Lis: Yeah?

Chairman Chagnon: I think you missed one of my questions.

Ms. Lis: Oh.

Chairman Chagnon: Under environmental health- where you had the New York State aid increasing by \$18,732. We had a \$50,000 onetime shared wastewater services grant was added to 2020, so New York State actually decreased its aid by-

Ms. Lis: I need to get to that page. I hate the order of this. I'm sorry to make you say that again, but now I'm on the page.

Chairman Chagnon: O.K. New York State aid- you're showing as being decreased \$31,268?

Ms. Lis: No, New York State Aid is going up by-

Chairman Chagnon: O.K., that's right. An increase of \$18,732-

Ms. Lis: Right.

Chairman Chagnon: But you had a \$50,000 one-time shared services grant added to 2020.

Ms. Lis: Right?

Chairman Chagnon: So your New York State aid- if in total it went up \$18,732- it actually went down by \$31,268-

Ms. Lis: No.

Chairman Chagnon: The difference between the two-

Ms. Lis: No because- I'm sorry. I didn't mean to say it that rudely. We're talking about projection versus budget and budget versus budget, so you can't really add them together. The grant was actually- the \$50,000's in both budgets because that's the one that's running through the County Executive's office to share services for water and wastewater and we budgeted it is 2019 because it was moving (*inaudible*) and the state has been very slow to get all the paperwork done and nothing's happened, so we're not getting that in 2019. So, I budgeted it again in 2020, so there's no difference budget to budget.

Chairman Chagnon: Your projection was overstated because you anticipated getting it and now you don't have-

Ms. Lis: The budget was overstated-

Mrs. Dennison: The amended budget-

Ms. Lis: Yes. The projection- I took it out of the projection-

Chairman Chagnon: Budget to budget- amended budget to budget-

Ms. Lis: There's no real- the \$50,000 has no effect.

Chairman Chagnon: O.K.

Ms. Lis: Alright. We looked at several different accounts and right now- we did this in a bit of a rush yesterday, but Christine and I went over certain things and we decided that we should increase our Medicaid revenue in our early intervention by \$10,000 and I'll get you more specific accounts this is just general- because we are bringing in an extra person there and going to do more, so we we figure we will be able to bill for more and again, in our health homes Medicaid revenue in that same grouping. That's about \$21,000 that we decided to add to our revenue because there will be another person that we will be able to bill.

Mrs. Dennison: And what department is that?

Ms. Lis: (*Inaudible*) and you'll be getting- I'll give you this.

Mrs. Dennison: I need to do a running total-

Ms. Lis: Oh. I've got a total right here. If you start with it I've got the overtime increase of \$75,000, I've got the decrease in medical expenses for family planning of \$60758-

Mrs. Dennison: Right.

Ms. Lis: The next thing I have is an increase in Medicaid revenue under early intervention for \$21,000 because we'll have that person and we'll be able to do more. The next thing we have is we are going to increase our fines and permits revenue in environmental health by \$7,500. We are going to be doing more inspections because of the new rules for the lower lead levels and we also- I believe we may be trying to increase some of those fines a little bit, so we felt safe bringing in \$7,500 there. Then, looking at preschool because as I said I made that mistake- we decided to look more closely at that because that does have revenue- that was a revenue correction and we- it's very hard to calculate this sometimes because there's been- the children come and go. It's based on a school year more than a calendar year. The rates have been increasing. Some of the facilities are adding classrooms so they're getting more kids in there, but I think we probably went a little higher than we should have. So, we believe that we are going to decrease our contractual expenditures in preschool by \$400,000. The offsetting revenues- state revenue decrease for that is going to be \$327,250 including my correction that I had to make. So, all together-

Mrs. Dennison: And that is in department-

Ms. Lis: A.2960 – preschool. So, altogether all these things add up to \$87,008 decrease in local share.

(Cross-talk)

Mrs. Dennison: Decrease in local share of \$87,008.

Ms. Lis: Yeah. To correct the things we talked about and then other things to offset.

Legislator Niebel” That’s considering making adjustments for the state and federal aid?

Ms. Lis: Yeah.

Legislator Gould: We can look at it- maybe we could get a copy?

(Cross-talk)

Ms. Lis: I still owe you information on that one that we kind of aren't sure that my explanation worked- the one about the state and federal revenue in A.4010. Was there anything else that you had that I didn't know about?

Chairman Chagnon: No.

Ms. Lis: No. We had talked about it and I had forgot until now- I believe it was the foster care block grant and we had told you that we know how they come up with their allocation but

we don't really understand it statewide of how our piece changes. Would you like a copy of that (*inaudible*) or whatever it is we get from the state explaining it?

Chairman Chagnon: I'm sure Chuck would.

Legislator Nazzaro: Yeah, sure.

(*Cross-talk*)

Legislator Nazzaro: Is it easy to understand?

Mr. Anderson: Fairly.

Ms. Lis: They're usually pretty O.K. in those-

Chairman Chagnon: O.K. Thank you very much. Thank you for coming back.

Ms. Lis: I'll send you those things and of course if you think of anything else-

Chairman Chagnon: Kathleen, on your proposed amendments- when we were meeting with the office for the aging they said that their mileage reimbursement under other was overstated by \$6,140 and that's in here somewhere?

Mrs. Dennison: That is not because it hadn't- that sheet is just what motions were adopted by the committee. So, the 6140 was not decided upon during the meeting so no, it's not included but I would be happy to add it with your permission.

Chairman Chagnon: Please. So, now we're ready to talk to-

Mrs. Dennison: Just to give you an update with the- assuming you want to adopt all of the changes from Social Services and adding the change from OFA, the net adjustment to the levy would be an increase of \$17,250.

Chairman Chagnon: O.K.

Mrs. Dennison: I probably should have pointed out earlier that on the second page the grid includes all the details, but there is a little summary on the bottom left of the second page that gives kind of the conceptual items that were discussed and approved by the committees. So, that would be a summary of what all of those line item changes are.

Chairman Chagnon: Where they came from.

Mrs. Dennison: I'll add the ones that we just discussed.

Chairman Chagnon: Back to where we started.

Legislator Niebel: What's next?

Chairman Chagnon: Let me just try to frame this a bit. So, we've been through all the committees input (*inaudible*) and what's been clarified and we're back at basically the same as the tentative budget was except our tax levy is \$17,250. So, now we can talk about any other changes that we would like to see in the tentative budget. One of the things that we haven't talked a lot about are the risks in the tentative budget. I made my own little list here. The top of the list is CSEA 6300 and correction officers contracts are not settled, but the settlements are nearing. Another is safety net- this budget includes a \$958,000 reduction in local share and if the trends of lower expenses don't continue- if we bottom out then that's a risk. That's \$958,000 reduction in safety net expenses. That's a risk if that trend doesn't continue. Medicaid- like was mentioned when Val first started- the 2019 adjustment to weekly shares hasn't been posted and it should have been posted in April. We don't know if the 2019 weekly shares are going up or down, so we don't know what the 2020 shares are going to be. So, there's a risk that that's going to go in the wrong direction.

Legislator Niebel: That hasn't been posted since April?

Chairman Chagnon: It was supposed to be posted in April of this year for 2019 weekly shares and we still don't have it.

Legislator Niebel: Who's responsible for that?

Chairman Chagnon: New York State. That's what Val and Jon started off by saying that they'd like us to call up the governor.

Ms. Crow: Basically we've been paying the same- the payment amount has been the same and hasn't changed. Usually we get a notice of what the new amount will be in April.

Legislator Gould: Will they send us a bill for the difference all at once?

Ms. Crow: We don't know that either. We get the notice and it says it has not been adjusted yet. Additionally, I would say that even the current payment amount includes assistance to what the maximum could be, so if that additional subsidy went away too it could be greater than it is now.

Legislator Niebel: Is that unusual for them to be six months behind?

Ms. Crow: I don't recall this ever happening before and I'm not really sure why they haven't adjusted. It could be that they come out and say there will be no adjustment. I don't know. It's just hard because we have no answer right now.

Legislator Nazzaro: And with this budget we have 52 payments compared to 53-

Ms. Crow: Correct.

Chairman Chagnon: O.K., if I can go on to more risks. Board of Elections told us that the County Executive took \$55,000 out of their budget for election inspectors and that's not sustainable- that's not doable. They're saying they need \$55,000 more just to be anywhere close to the requirements.

Mrs. Dennison: Mr. Chairman, could I just add a comment on that that I failed to make during the hearing? The County Executive- one of his goals was to not have any unfunded increases in FTE's. The Board of Elections has an increase in one FTE. That increase is mostly because of changes in their full time staff and expansion of hours (*inaudible*) more money spent on non-election inspectors. So, it looks like an unfunded increase in FTE's. So, he didn't really want that in the budget. My suggestion was since that increase is a compilation of a lot of different changes in existing positions perhaps we would take out \$55,000- roughly equivalent of one FTE- take it out of the election inspector pay instead of out of their personal services. So, that's kind of how we got to that figure and kind of the rational.

Legislator Niebel: I think a lot of it- the increase of \$55,000 for election inspectors has to do with the early voting. That was funded this year, but it's not funded in 2020. So, I guess there's hope that it will be funded in 2020, but as of right now it's not funded for next year.

Chairman Chagnon: Another risk- energy plant.

Legislator Nazzaro: Oh yeah.

Chairman Chagnon: Electric generation conversion to renewable natural gas project. In this budget there's a one million dollar transfer from the energy fund to the general fund on the presumption that that project is going to go forward. There's a risk that project does not go forward as it did not go forward in 2019. Last but not least is public facilities- maintenance of roads and bridges. The 2020 budget is 1.5% more than it was in the 2019 budget and 4.9% more than the 2019 projected budget, but Brad feels strongly that an additional \$400,000 is needed. That's an additional 4.6% of the 2019 projected. The County Executive removed that from his budget. So, there's a risk there as well as the required maintenance of roads and bridges may overspend.

Ms. Crow: I wouldn't say there's a risk that they would overspend. There may be a risk in terms of the salt, but in terms of road work the funding was restored to what the prior year budget was because as you may recall in 2019 we increased the budget to allow for some one time catch up in road construction. I agree there would be risk in terms of salt but other than that what's budgeted should be, in my view, defines what work they do.

Legislator Niebel: If they don't have it they just won't do it.

Ms. Crow: We are budgeting to do less work than the prior year.

Chairman Chagnon: Thank you for that. The first risk that I mentioned was the contracts and I realize that we're in collective bargaining and there's not much you can talk about that, but

for budgeting purposes is there anything that you can share with us in terms of how much risk you feel there is in the 2020 tentative budget regarding the settlements of the contracts?

Legislator Nazzaro: Without getting into specific-

Chairman Chagnon: Recognizing that a reporter is sitting behind you.

(Cross-laughter)

Ms. Crow: I think that in terms of discussing items pertaining to contract negotiations we could potentially talk about some things in an executive session.

Chairman Chagnon: O.K.

Ms. Crow: That would be up to you.

Chairman Chagnon: You're suggesting we could have a brief executive session now?

Ms. Crow: That's up to you. I could give an update on the timing of some things.

Chairman Chagnon: What's the committee feel?

Legislator Nazzaro: What I'm looking for- as long as it's proper use of executive session- I just want to know what the potential 2020 budget-

Chairman Chagnon: I think it will be a short executive session.

Legislator Nazzaro: Then I move that we go into a short executive session to discuss the pending contract negotiations.

Legislator Muldowney: I'll second that.

Unanimously Carried (3:18 p.m.)

MOVED by Legislator Nazzaro, SECONDED by Legislator Gould to come out of executive session. – Unanimously Carried (3:28 p.m.)

Ms. Crow: I added in what's now projected for 2019, so these two columns- this is the column that I budgeted based on the two year average of 2017 and 2018 and then I added the two and four year averages using 2019 projected. So, if you wanted to use the two year average including the 2019 projected that would be about \$100,000 net increase. I will also just make a note here- the other thing that we typically do not budget for is any adjustment to the uncollectable- I think we said over the last five years or so it's averaged out to about a net change of \$50,000-

Mrs. Dennison: The last ten years.

Ms. Crow: Yeah. Not to say that-

Mrs. Dennison: We did get as of September 30th an update from Mr. Caflisch on uncollected property taxes and the uncollected portion is running higher than in 2018.

(Cross-talk)

Ms. Crow: You were looking at the summary and in this classification there's one other small revenue, so that's why you might not show that it's \$2,079,000. If you look at the- the other thing is that there's also \$45,000 in the 2020 budget additional that will be an increase related to the Jamestown Public Schools that we're going to take over that collection. So, the budgeted amount is actually \$2,124,000 for the-

Chairman Chagnon: Yes.

Ms. Crow: That's not- that's the note down here on page. This projection is just like our usual income and losses, so we'd still have the \$45,000 regardless.

Chairman Chagnon: So, it's a potential \$100,000 increase in revenue from miscellaneous sales of tax acquired property and miscellaneous interest and penalties. Thank you for that. If we agree to that it's a decrease in the local share of \$100,000. Now there's a couple of other items that we talked about that I would like to suggest. One is that in nursing they have \$5,000 in overtime that should not be necessary because their personnel expense is reflective of 100% employment. So, I would recommend we take \$5,000 out of nursing overtime.

Similar concept in the jail clinic- their base pay is reflective of 100% employment and they have \$15,000 of overtime in there. So, I would like to suggest that we take that out as well.

Mrs. Dennison: I'm sorry, how much was that?

Chairman Chagnon: \$15,000.

Mrs. Dennison: A reduction of \$15,000?

Chairman Chagnon: Yes.

Mrs. Dennison: And the nursing reduction was \$5,000?

Chairman Chagnon: Yes and in Insurance Administration they've added a part time position, but they have \$500 of overtime pay, so I'd like to suggest we take that out as well. Now, back to the board of elections- we talked about how they're feeling that their election inspectors are under budgeted. Also, in 2019 they received a New York State grant for \$85,000 for early voting that Terry pointed out. I would like to suggest that we put that \$85,000 revenue into the 2020 budget since they're of every expectation that they're going to get that.

Legislator Niebel: Will they use some of that for this year?

Chairman Chagnon: What they said was this would be a 2020 grant.

Mrs. Dennison: If I could- the Board of Elections has proposed a resolution for October to amend that \$85,000 into the 2019 budget.

Chairman Chagnon: Into the 2019 budget?

Mrs. Dennison: Yes and I did question them on that and the response was that they need both of the grants that they've received to purchase the electronic poll books for this year's election.

Chairman Chagnon: O.K., that won't work for 2020 then.

Mrs. Dennison: Their response was if you want to put it in the 2020 budget you can, but then we'll be over budget in 2019. They anticipate that they need to spend that money now to buy the electronic poll book but of course they would not need to buy them again next year. So, their preference is to use both grants entirely in 2019.

Chairman Chagnon: Wow, O.K.

Legislator Niebel: Pierre, there's a possibility that they might get additional funding next year. The other thing that I thought about was I think Norm mentioned they hadn't looked at their polling places since 2009. Perhaps that's something they could do to see if they can decrease their number of polling places. It's been ten years, so maybe they can do something like that. That wouldn't be a huge reduction but it might get it down a little bit.

Chairman Chagnon: Right.

Mrs. Dennison: I have a question for Terry as a former election commissioner. When we discussed this with the County Executive and the Board of Elections I suggested that there might be economies of scale in the election inspector scheduling. The commissioners don't agree, but I don't know if there's opportunities now to combine any of the districts. I work as election inspector and I see a couple of districts where nobody goes to vote, so I don't know if they could make any commendations now in advance for the census.

Legislator Niebel: I don't know that they can because there are time periods that you can. They might not be able to because of the 2020 presidential election year plus the census data won't be available until probably 2021, so it's possible they can't. I guess we could ask them if they can.

Mrs. Dennison: I did- well I had kind of informal conversations with the. I think they mentioned during the hearing- they said one of their (*inaudible*) for doing that is just the space. They can't make polling places like in Fredonia because they don't have the bigger spots to use. So, I don't know. I still think there's opportunities there.

Legislator Niebel: There's probably some-

Mrs. Dennison: Is there \$55,000 worth- probably not.

Legislator Niebel: I don't think so, but I think there's some.

Chairman Chagnon: O.K. Next is Public Facilities. Looking at their head count they have reduced one FTE by transferring the purchasing agent to finance. They've reduced one FTE by not filling an open cleaners position. So, they are starting out down two FTE's. The budget includes plus 2.94 FTE's, so essentially they're adding five positions. After a long painful discussion with Brad about Jamestown Airport- essentially one of those positions is related to return of essential air services. So, if you take that out then they're really adding- rather than 4.94, they're really adding 3.94. My recommendation is we don't tell them how to run his operation but we take a couple of headcount out of Public Facilities.

Legislator Nazzaro: I agree.

(Cross-talk)

Chairman Chagnon: Without trying to figure out the unraveling we talked about- rather than say that it should come out of parks or forestry or airports or wherever we let him figure it out. I know that makes Kathleen's head spin when I say that because then she's got to figure it out.

Legislator Niebel: Does that equate to a dollar amount?

Legislator Hemmer: You're just going to reduce him by a dollar amount? Are you going to tell him?

Mrs. Dennison: We do have a dollar amount for the essential service position, but keep in mind that the essential air service position- what's in the budget right now is only 65% of that position because the assumption was that the essential air service doesn't start until May 1st. So, that position that's added has a total cost associated with it of \$44,728.

Chairman Chagnon: That's why I'm saying I'm not telling him that it has to be this person or that person over here. I'm saying he's showing an increase in FTE's of 2.94 and I would like to make that .94.

Legislator Nazzaro: So, by expense classification-

Ms. Crow: You'd be amending the point ones and point eights.

(Cross-talk)

Mrs. Dennison: I would just comment that some of his increases in the FTE's have already been implemented.

Legislator Nazzaro: Well he's got a tough job.

Chairman Chagnon: He's going to have to unimplemented something.

Ms. Crow: Based on if there's retirements coming up and they could not be refilled.

Legislator Hemmer: He did say that he had expected retirement-

Legislator Nazzaro: As the chairman of Public Facilities do you agree with that?

Legislator Hemmer: I feel the infrastructure is very very important and I hate to cut money out of the budget, but I – we need to cut somewhere.

Ms. Crow: I would add that if they are going to be as part of their budget doing less road work it could potentially mean less-

Legislator Nazzaro: We're not actually giving them less road work, right?

Ms. Crow: Well when we reduce their budget we reduce- when we restored their budget to what was the 2018 budget- in 2019 we increased it more than usual in order to do some catch up road work. You've been here before when we've had to take out striping or reduce striping or change what we're budgeting for various items based on budget constraints. So, we're budgeting for less road work.

Legislator Nazzaro: But aren't we- I would have to dig through here. Aren't we on the maintenance side? I'm talking about not the capital side, but the road maintenance side. Aren't we giving- isn't the amount in this budget pretty much what was the 2019 adopted budget?

Mrs. Dennison: For general maintenance.

Ms. Crow: For maintenance, yes.

Legislator Nazzaro: Because his \$400,000 I thought was for maintenance.

Mrs. Dennison: That's correct.

Legislator Nazzaro: So we're not- I just want to make sure-

Chairman Chagnon: Maintenance of roads and bridges 2020 budget is 1.5% more than the 2019 budget.

Legislator Nazzaro: We're not taking- I just want to make sure that we're all on the same page- that we're not giving him any less for road maintenance in what was in the 2019 budget.

Ms. Crow: We could go back to show you on the local share spreadsheet from 2018-2019 and then 2019-2020 for the D fund. You can't see it in here because we had increased the D fund

390 and 391 accounts in 2019 from 2018 by \$850,000. Some of that was paid for with reserve for capital, but what we did in the tentative budget was to reduce that back down because it wasn't sustainable.

Mrs. Dennison: You're talking about just-

(Cross-talk)

Legislator Nazzaro: When Brad was talking we were talking about the maintenance- I understand what you're saying- we were talking about road maintenance and his- what he had proposed to the county executive was an additional \$400,000, which Mr. Borrello ended up removing but that was for maintenance.

Mrs. Dennison: Actually Brad proposed- I believe he proposed taking his operating supplies to \$2 million. He proposed \$800,000 increase and the County Executive cut it to a \$400,000 increase, so there is still an increase in operating supplies for general maintenance of \$400,000. Keep in mind that would be- it's only \$125,000 more than what was actually spent last year and about the same- in 2017 and 2018 we spent between \$1.4 and \$1.5 million .

Legislator Nazzaro: But he's not getting any less?

Mrs. Dennison: He's not getting any less.

Legislator Nazzaro: Not for that category.

Chairman Chagnon: O.K., so if we add all that up we're looking at in addition to Kathleen's running total of \$17,250 increase in the local share, we take out \$5,000 for nursing overtime, \$15,000 for the jail clinic overtime, \$500 for insurance administration overtime, \$100,000 for sales of tax acquired property and we take out something for two headcounts in Public Facilities-

Mrs. Dennison: Decrease in the levy or local share expenses of \$203,250.

Chairman Chagnon: So, we're looking at a decrease in the local share of \$203,000?

Mrs. Dennison: Correct.

Ms. Crow: I actually was just trying to come up with these adjustments for Kathleen, but I realized there was an error in the formula so the net change for the interest and penalties is actually \$175,000.

Chairman Chagnon: I like that better.

Ms. Crow: I'll give you the specific adjustments and Kathleen, but if you just plug in-

(Cross-talk)

Mrs. Dennison: I'm using \$100,000 for the two positions for DPF.

Chairman Chagnon: O.K.

(Cross-talk)

Ms. Crow: That would be on the conservative side.

Chairman Chagnon: Kathleen, the new total would be?

Mrs. Dennison: A reduction in local share of \$278,250.

Chairman Chagnon: O.K., so that would mean that if we took that all out of reduction of fund balance, the fund balance instead of going down by \$1 million would go down by \$742,000. Chuck, you wanted to talk about that?

Legislator Nazzaro: O.K. As we discussed earlier on about the budget on Monday I had asked Kitty to- our 2018 audit has been closed, so we have the results of the 2018 audit. We all were given projections of the fund balance based on certain assumptions that were implemented through- projected through 2024. So, I and I now many of you too are concerned about the use of fund balance to balance this budget, especially in light of the risks that our chairman has accurately highlighted and I share those risks. I want to review quickly with Kitty where the fund balance is going to be, but at this time I do oppose the use of fund-

(Recorder Malfunction)

Legislator Nazzaro: Based on the projections that we had- you know we had a 2.7% increase in the tax levy, but before these adjustments there was \$718,000 that you could raise the levy by without asking for the tax cap to be overridden. So, I think we should have a discussion on this year raising the tax rate if we can't find any other reductions in expenses or increases in revenues to protect our fund balance because we have many challenges ahead of us between now and 2024. We were given a recap by Kathy Tampio and when you look at this our tax rate in 2006 was \$9.48 per thousand and currently it's \$8.38 per thousand, so it's a \$1.10 less per thousand than it was thirteen years ago. The only time it's been below that was in 2010 we had a tax levy of \$8.18 per thousand. So, I would just like to have the discussion that we do everything we can not to use any fund balance to balance this budget and I think it's time that we take it very serious and look at this. I think we've done a lot of good things in the past but if we continue on this path I think as we get closer to 2024 we could have some major issues. So, I don't know if you updated that schedule and have a copy for us-

Ms. Crow: I updated it- it's updated just to show that due to *(inaudible)* in 2018, but it doesn't change the out years on what you already have. I just added some notes just so that you're also clear on a couple other things.

Chairman Chagnon: Were you going to update the 2018 actual as opposed to *(inaudible)*?

Ms. Crow: Yeah, that's what I did.

Chairman Chagnon: O.K.

Ms. Crow: It still says it's on the – here's an extra one because I can look on the screen.

Legislator Nazzaro: You might have to get some copies Kathy. We don't want to leave anyone out.

(Cross-talk)

Ms. Crow: But really there's no change in 2020 and beyond that you're looking at. So, the only thing that changed on here- just I added some notes and-

Chairman Chagnon: But now the 2018 is not preliminary on-

Ms. Crow: It is. I just forgot to change the header. These are the audited financials.

Legislator Nazzaro: 2018 audited?

Ms. Crow: Yeah.

Legislator Nazzaro: O.K.

Legislator Niebel: O.K. Chuck, as far as our fund balance for 2020 it is 5.3%? It does show a decrease up to 2024. By 2024 it's 4.9%. I guess the problem I have of increasing taxes is that it's one of the reasons that people give for leaving Chautauqua County. We continue to lose about 900 people per year and that affects our property values, it affects housing, it affects a lot of things. I think we have to be cognizant of that as well. Now, I don't want to see us go below 5% because I think we would run into problems, but for the next couple years as far as these projections it looks like we're going to be above 5%.

Ms. Crow: But we also have a deficit if you look on our projections by- based on our current expenses and revenues trending out after 2020 if you go to the page-

(Cross-talk)

Ms. Crow: Here is the operating surplus of deficits, so by next year there's- if we're not doing anything differently we will still have to make up a \$2.4 million deficit.

Legislator Nazzaro: What page is this?

Ms. Crow: If you're on the-

(Cross-talk)

Legislator Nazzaro: I just want to make sure we're on the same page.

Ms. Crow: Right here. This line up here that says operating surplus or deficit. Right here. So, that is telling you that if we were projecting this year- our deficit is \$1.6 million and we're showing right now that we're using fund balance A and DM fund balance to make up that shortfall that we don't have a balanced budget right now. That unbalance increases to almost \$2.5 million next year. So, if we're keeping the tax rate flat, if we're not using any fund balance and expenses and revenues stay on their trend as budgeted in 2020 we're going to have to figure out how we're going to come up with another \$2.5 million. Every year after that it gets greater and greater because we're not addressing our unbalance.

Legislator Nazzaro: And the other thing you probably have- I didn't add this up, but in the 2020 budget you probably have an excess of \$2 million at risk or probably closer to \$3 million at risk. So, the point being we're already- if this is approved as is we're approving a deficit budget because we're using- we're approving a deficit budget plus you'll have \$3 million more potential risk where you could have a \$5 million shortfall at the end of 2020 and you can't go back and change- the cap is not a roll forward. Once you miss that year you can't go back.

Ms. Crow: To the extent that we have new recurring expenses in the 2020 budget related to courts, raise the age, district attorney, board of elections. We're not building in recurring revenues in my opinion until we are raising the taxes for those items or somehow we're getting other new revenues that we're not getting right now. So, to me that's responsible- it's being responsible and not putting the county finances in jeopardy by not raising the taxes for those new costs. I mean, its not- we all know- everyone's heard in the newspaper that these new costs are coming and that they're state mandates and the result of that is that they have to be paid for.

Legislator Nazzaro: Kathleen what is- because we have this cap and it takes a two-third majority of the Legislature to override, but if you were to- we have some savings that we've identified- what would the tax rate actually go up to to not ask for (*inaudible*) but to raise the levy up to the cap?

Mrs. Dennison: I just calculated if you wanted- given the savings we just discussed if we used no general fund balance the tax rate would be \$8.51- increase of \$0.14.

Legislator Nazzaro: So on a \$100,000 home you're talking \$14?

Mrs. Dennison: \$14 and that's with no budgeting with no use in general fund balance.

Chairman Chagnon: And how many dollars would that generate?

Mrs. Dennison: It would be an increase in the levy of \$2,780,000.

Chairman Chagnon: But Kathleen, where we were at is we were at a no tax rate change in the tentative budget and instead of \$1 million use of fund balance with our savings we're down to \$742,000 use of fund balance. So, I think the question-

Ms. Crow: We're still using DM fund balance.

Chairman Chagnon: The question is how much tax rate change would it take to generate \$742,000 to have no use of fund balance?

Legislator Niebel: About ten cents.

Chairman Chagnon: I calculated it at 9.5 cents.

(Cross-talk)

Chairman Chagnon: You see where I was going Kitty- if we want to have a no tax rate- the tentative budget has no tax rate change but we're using \$742,000 of fund balance. If we don't use that fund balance and instead we put it in the tax rate, how much would the tax rate go up?

Ms. Crow: You're saying zero use of fund balance?

Chairman Chagnon: Zero use of fund balance.

(Cross-talk)

Legislator Nazzaro: They're asking if you just want to do the A fund balance or the-

Clerk Tampio: Yeah, that's the million-

Chairman Chagnon: You were taking \$1 million out of the general fund balance in the tentative budget.

Clerk Tampio: The A fund.

Chairman Chagnon: We're saying don't do that.

(Cross-talk)

Chairman Wendel: One thing to keep in mind is last year our basis for this was to balance our budget structurally and because of these reoccurring costs that really couldn't plan for we're still doing that. This tax rate increase isn't something that we're throwing out there because we made a mistake. It's the fact that we now have new expenses as Chuck is saying to be prudent using fund balance does not make- we're not balancing the budget, we're just kicking the can down the road and it does not give us any chance to do what we set out to do. What we're doing right now is keeping with what we started last year. Unfortunately, it didn't pan out.

Ms. Crow: We also said we were decreasing the net- decreasing overall \$278,000?

(Cross-talk)

Legislator Nazzaro: PJ you're exactly- you're right. Some of the- we're keeping to the plan, but unfortunately plans don't always- things are out of our control.

Ms. Crow: I'm getting 18 cents. So, like eight dollars- 8.556 would be the rate, which would be an 18 cent increase and a 2.1% increase- well, it's actually- it would be a 2.16 % in the rate increase. You would have to pass the legislation to override the tax cap.

Chairman Chagnon: Hold on. The full valuation is \$7,593,537, so the rate per thousand- a penny on that would generate \$76,000. So, we're less than 10 cents to generate \$740,000. A 10 cent increase in the rate would generate \$759,000.

Legislator Nazzaro: Correct.

(Cross-talk)

Ms. Crow: He gives us the actual valuations, not the percentages so then we calculate the percent increases.

(Cross-talk)

Legislator Nazzaro: What I thought was *(inaudible)* what we found was- I guess what I'm saying is I don't want to *(inaudible)* the tax cap. I want to be able to-

Chairman Chagnon: Wipe out as much of the fund balance use as you can without going over the tax cap.

Legislator Nazzaro: Right, and if we're within a few thousand dollars we'll find something-

Ms. Crow: Yeah and I think there's- I get what you want, this is just a lot of changes in my model to try and just make on the fly and I want to do it right, so if we-

Chairman Chagnon: We may have reached the point where it's time to adjourn for today and what I was going to suggest to the Audit & Control Committee is could we get back together next week for a recap of where we are before we finalize any of these recommendations to the Legislature.

Legislator Nazzaro: Would we need a public notice?

Clerk Tampio: Yes, you would have enough time to do that.

Chairman Chagnon: So we couldn't do it early in the week.

Ms. Crow: That would also give Kathleen time to get the exact number-

Chairman Chagnon: Exactly, so we'll get the numbers all straightened out so when we reconvene next week we'll be able to have a better idea of where we're at and what the implications are so we can finish formulating our recommendation to the Legislature.

Legislator Nazzaro: I'd like to ask the question to the committee- I know where you stand, Pierre. To me, we're at the point here- is the goal of this committee- I'm asking I guess- is to not use any A fund balance to balance this budget because as Kitty already pointed out, we are having an operating deficit- we already have an operating deficit projected plus we have all those other factors. So, is that- Keven?

Legislator Muldowney: I am.

Legislator Nazzaro: Jay is. Terry? Not the 18 cents, but the-

Legislator Niebel: Chuck, I'm all for decreasing the use of the fund balance by the \$278,000 that we found, but not the million.

Legislator Nazzaro: O.K. I just want to make sure because if we're –

Legislator Niebel: But I would be in favor of even trying to find even more reductions if we possibly can to reduce that and then whatever else we can reduce the budget deduct that much less from the fund balance or use of the fund balance and keep the rate at the same rate that we had last year or the rate that the county executive has proposed.

Legislator Nazzaro: O.K., so we have four out of five and one willing to work with us.

Chairman Chagnon: O.K., so when would we like to get back together next week?

Legislator Nazzaro: What's the rule for public notice?

Clerk Tampio: Basically 48 hours-

Legislator Gould: We're busy Thursday.

Clerk Tampio: Yeah we have a sewer agency meeting Thursday afternoon.

Chairman Chagnon: How about Wednesday? What time?

Legislator Niebel: Afternoon.

Chairman Chagnon: 1:30? O.K. 1:30 p.m. on Wednesday we will reconvene.

Clerk Tampio: I'll check the use of the rooms and figure that out before I send that out to the media.

MOVED by Legislator Gould, SECONDED by Legislator Muldowney and duly carried the meeting was adjourned. *(4:13 p.m.)*

Respectfully submitted and transcribed,
Kathy Tampo, Clerk/Olivia Ames, Deputy Clerk/Secretary to the Legislature