

Minutes
Budget Hearing
Planning & Economic Development Committee
Audit & Control Committee
Thursday, October 8, 2020
Legislative Chambers
Gerace Office Building

Members Present: P.E.D Odell, Muldowney, Ward, Harmon, Starks (present by Zoom)
A.C. Nazzaro, Gould, Niebel, Odell, Harmon

Others: Tampio, Ames, Lawton, Dennison, Chagnon, Hanson, Geise, Aldrich, McCoy

Chairman Odell called the budget hearing to order at 2:06 p.m.

Chairman Odell: Today we'll be going through the budgets for the departments of Planning & Economic Development. This is a similar format to prior years. We're going to go over the overview, the FTE's, and then we'll just go page by page and walk through each department's updates and changes. Go right ahead.

Mr. Geise: Before I start I just want to thank all of you for all the hard work that you've put in. I know it hasn't been easy with COVID-19 and the cuts, but I want you to know that I appreciate it and I know our team appreciates everything you do. So, a little background before we start, the department of Planning & Development- I've been here a little while and we've always been team players going back more than a decade and we've cut and cut and we've always reached the targets. So, even before all this we were already very, very lean. There wasn't any- virtually no meat on the bones. So, really what we're ending up with is a budget that virtually has no funding for training, continuing education, travel, supplies, and so on. In our industry of planning and development, we really do want our people going and learning more and mingling with other people in the profession, but that's what we have. In the spring of 2020 the department of planning was again one of the few departments to comply with the request of reductions. We accomplished a 15% reduction in the department budget and a 20% reduction in the occupancy tax budget. This involved contacting over 30 agencies, talking to them, and then sending official letters and then amending all of those contracts.

For the 2021 budget we used the 2020 amended budget as approved by the COVID-19 finance team and the legislature as our template. However, we went beyond that to include additional and internal cuts to accomplish a 10% reduction in local share in 2021 versus the 2020 adopted budget and a 30% reduction in the occupancy tax budget versus the adopted 2020 budget to meet the County Executive's target. We feel very strongly that all of the agencies that received funding through the county are quite deserving, therefore, we felt it only fair when possible to cut everyone or reduce everyone's budget equally. I mean, can you pick your favorite child? So, we did that when we could.

While there's uncertainty regarding the future revenue projections, especially in the area of occupancy tax we feel that this budget is prudent and we also know that if the revenues are greater than the projected we can always go back and amend the budgets and put more money back in, so we've always got that.

I just want to do a quick budget overview and then we'll go page by page. Some of the- I guess the summary overview is that we will not be replacing the Director of Planning & Development position at the same level that Don McCord was at and you'll see when we go through the budget that there's a fairly significant savings there. More than \$20,000 and that's offset by what we're requesting an increase of about a .5 FTE, so they basically offset each other. The other big thing is the (*inaudible*) expense that was coming out of the division of Planning and Community Development has now been moved over to the occupancy tax- the 2% budget, which is where it should have been because it's lake related and it makes a big difference on how we control our lake.

Other actions are being undertaken to unify the department, to really create an atmosphere where planning and economic development work together along with the IDA and you'll be seeing more and more of that. We'll be getting back to you with more about that, but we've already started to bring everyone closer together. It brings up a point where we've been managing all these contracts in two separate divisions, which doesn't make any sense. We would get requests over on the economic development side of things that was a planning side and then on the planning side that was economic development. It only makes sense to me that we have one individual that's responsible for getting all of those requests and that's why we want to increase Barb Molnar(?) who has been the contract administrator on the planning side to full time. Everything would go through her. She would respond to all the requests and then everyone knows that it's her that we go to. She's a clerk's position, so you'll be seeing that as well.

At the end of the day there's about 75 contracts in any given year. Sometimes more and sometimes less- that we have to manage and that will help us there. So, I beg of you, if we could accomplish that. At the end of the day we still accomplished the 10% reduction in our department, which is what the target was.

So, with that, I'm going to be really high level and you'll probably have questions and there will probably be things that I don't answer correctly or go into a lot of depth, but Nate Aldrich is here to help along with Kathleen. The planning budget was really put together by Don McCord and his department and I have reviewed it. Don's last day was conveniently yesterday. I'll start with page one. So, you all have-

Chairman Odell: We'll just go through page by page of the changes and adjustments and if any of the committee members on either side- Audit & Control or PED have any questions, just jump right in.

Mr. Geise: Sounds good to me. Thank you. So, page one- local share summary and this runs down through 6420, which is economic development and 8020 you'll see an increase of \$42,000. That's really the increasing of Barb to full time. The second line- I'm looking over at the local share column. Community contracts- a reduction of \$121,000 in economic development. That's the likes of the library system, the IDA, Soil & Water, Cornell Cooperative Extension, Fair Association- we're all taking an equal cut of 17.5%. That's what that reduction is.

Chairman Odell: Right, and just to summarize, how many agencies are in there? Just for the benefit of everyone? About 8-10 agencies that we asked to make that equal?

Mr. Geise: Yes.

Chairman Odell: Let's just back up a little bit. Does anyone have any questions on 6420? We're just kind of taking it group by group as we go through. Any questions? Those were hard. A lot of those cuts that we're discussing and it was a lot of hard calls. I know you're office made them because I got the calls right after you made the calls.

Mr. Geise: This was a whole process where we had several meetings with the COVID-19 finance group. We went through several iterations. Pierre and others- Kathleen, Kitty, us, and we went through several iterations of what we could or should do and this is where we unanimously decided this was the best course of action. Again, it hurts all of us and unfortunately it we're living in a crisis right now and that's what we felt we had to do.

8020- you see that \$32,000 reduction. That, again, is- Don's salary was more than \$90,000. We're putting in the new director's position at \$75,000 and that results in a decrease in salary and benefits. Again, the lake gauge being removed from the planning & community development budget over to the 2% occupancy tax, results in a savings as well. So, bottom line, at the end of the day what we're looking at here is a 10% reduction versus the 2020 adopted budget. Would you like me to go on to page two, Mr. Chairman?

Chairman Odell: Sure. Are there any questions before we move on?

(Inaudible)

Mr. Geise: Well the FTE is the next one I have, but you can see that it reflects a .51 increase- half a person.

(Cross-talk)

Mr. Geise: Farmland protection- I don't have the page in front of me, but I'll get to it- is money in, money out. It's a state grant, so that just offsets- it's neither a gain nor a loss. What do you have next on yours?

Chairman Odell: Occupancy tax for tourism and then watershed.

Mr. Geise: O.K., let me get there.

(Cross-talk)

Mr. Geise: I don't need it in front of me. Basically, on the 3% side we have reduced all of the budgets and budget lines by 30%. It's that simple. On the 2% side, and maybe Dave can speak to that a little bit, what we did on the 2% side for the occupancy tax.

Mr. McCoy: We tried to focus on the sustainability perspective on revenue generators because that helps keep the program revolving. The revenue generators that I'm speaking about are of course our lakes and water ways; Bear Lake, Cassadaga Lake, Findley Lake, Lake Erie, and Chautauqua Lake. They keep the money coming in to sustain not only the occupancy, but also sustain the County's revenues and sales tax. So, we fought very hard to keep those

allocations in those areas. Where did look at making cuts were areas such as projects- we've done more than 100 of them in the last 12 years. If we do 4 or 5 next year, that's great, but it's an area that we thought we had a little bit of wiggle room in. The other place that we trimmed was Soil & Water's 2% occupancy allocation of \$35,000. We cut that back \$10,000 and that got us to where we needed to be.

Mr. Geise: So, on the 3% side that 30% reduction amounts to about \$262,000.

Mrs. Dennison: And for the benefit of the legislators, the details to the occupancy tax- they are not included in section 37, but they're in the tentative budget book at the beginning of your binder.

(Cross-talk)

Mrs. Dennison: Its exhibit B3 and it's the last exhibit under the operating budget tab.

Mr. Geise: And for the 2%, that reduction amounts to about \$187,000.

Chairman Odell: Does everyone see exhibit B3? A lot of this changes- we know that the occupancy tax is derived by 5% of every hotel stay goes to our occupancy tax, just for the record. 3% of that goes towards tourism and 2% to watershed, lakes and waterways. From the presentation that we asked Mr. Nixon to give from the tourism visitor's bureau, we learned a couple weeks ago that we could potentially be looking at a 42% reduction just based on the stats we know now, based on the large hotel chains reporting. It may be a little better based on the cottages, Airbnb's, and places like that, but nonetheless we're going to be seeing a significant drop off of occupancy tax dollars in 2020, which will directly affect 2021 and beyond. Those are stunning numbers and I'm glad Mr. Nixon was able to come and share them. So, a lot of these allocations and agency reductions might not have been deep enough, but it's a start. It's the right direction. I think the Covid finance team is going to stay on top of that and watching and tracking right along. Does anyone have any questions? Concerns?

Legislator Starks: I have a question. My mind is stuck to where you started. I understand Mr. McCord's retirement and replacement will have a large difference in expense, but what is that half time person going to do because I know that when we spoke to some of the agencies that are getting cuts, like Cornell Cooperative Connection, that's going to affect their staffing. So, if we're affecting other people's staffing and adding staff, I just want to have a good understanding.

Mr. Geise: Yeah. One thing that we found out is that during the Covid how understaffed we are in terms of contract management. I mean, I'm spending all times of time, Nate's spending all kind of time trying to manage these contracts and taking time away from what I really should be doing. Having it disjointed like that- the whole idea is that we have one central person and that's what they deal with. If we go through another amendment, and we may next year whether we're doing better or worse in terms of what the revenues are coming in, certainly we need the staffing with or without that. I'm just telling you that the amount of time that we're spending on managing contracts- that is one place that we are severely under staffed at managing the

contracts, and again, I know it's adding a .5 FTE, but at the same time we're reducing Don McCord's- what we were paying Don McCord. So, in a sense it's a wash financially. I don't know, do you have any more to add to that?

Mr. Aldrich: As Dave could attest to, Barbara currently works 17 hours a week on the division of Planning and Community Development side. As Mark alluded to, some of the efforts to bring those two divisions back together as one strong department- 17 hours doesn't cut it now on top of 30 plus contracts we manage between the two of us on the Division of Economic Development side. It takes a lot of time, a lot of clerical and administrative time that could much better spent on key initiatives through the partnership for economic growth, capital projects, things we've talked about PED, it's really not sustainable at the current 17 hours.

Mr. Geise. Yeah. I do want to expand on that a little bit. The partnership for economic growth- Mark and others certainly know how much time and effort has gone into that and we've created something that we've got to keep going. We've got to be proactive. We can't just have an economic development strategy again that we've worked so hard on and now we can't implement it because we don't have the resources. We created another beast, if you will. Plus, with the \$10 million that we got through the IDA, that's created a whole other work load that we're putting a lot of time into. So, I understand what you're saying, certainly, but I'm telling you that it's just something that we really have to have.

Legislator Starks: I just don't want to forget the groups that are getting cuts that deeply affect them. As soon as we're able to do something for things like Cornell Cooperative, the libraries, the other groups that we all met with or spoke to. I don't want to forget that.

Mr. Aldrich: We did talk to each one of those community contract recipients and asked them how they leveraged their money, how the cuts impacted them. They all had a good case to not be impacted. That's why we decided to not pick winners and losers. I'll just also note on our IDA side, which we wear two hats, those two contracts were equally cut, but we've managed to do more with less.

Chairman Odell: That was included in there (*inaudible*) IDA as well, so understood.

Legislator Starks: Thank you.

Chairman Odell: Thank you Christine.

Mr. Geise: Thank you.

Chairman Odell: I do have a question, well maybe just a clarification- questions came up on small lake allocations today, right Bill?

Legislator Ward: Yes, as a matter of record, we had a late ask, but that's how it works in the summertime. We really don't know until fall. Findley Lake wants it understood and realized that they need twice as much harvesting, understanding of course that they've got 100% of the (*inaudible*) last year, so that's a cool thing, but they're up against it and I'm going to have to

work with them to try to figure out a way that we can (*inaudible*) up a little bit, so they were actually asking for twice as much.

Chairman Odell: Yeah, and we- that will be a future discussion, I just wanted to let you know that, but my question is, looking at these – Lake Erie Management Commission makes sense, but I was just curious as to see the allocations because this has just been the way it's been over the years. \$5,000 for Findley, \$3,000 for Cassadaga, \$1,500 for Bear Lake. I'm just wondering where those came in and where- the reason it came up is because I was given some stats from the CLA's boat stewardship program and it shows that Cassadaga's launch is #2 in the County, only behind Bemus. So, I'm just curious.

Mr. McCoy: You know, the little lakes really are gems. They generate a lot of revenue and they don't get the credit that they deserve, but then again they don't have the needs that a larger lake has like Chautauqua Lake. If you look at Bear Lake the development is much lower, much more natural shoreline, for the most part they have a natural weed management program. They stocked their lake with weevils and moths that help control the Eurasian milfoil numbers years ago, which the county helped provide the funding for that. It's worked very effectively, but they have mostly naturalized shorelines. They don't have the storm water and nutrient inputs that the other lakes have. Cassadaga is another good example of that. There's very little hard shoreline in Cassadaga Lake. Development is much lighter. Findley Lake has a lot of hard shorelines, it's fairly densely developed, the geology is such that nutrients run into Findley Lake like a bowl. There's no municipal sewers, septic systems are very close to the edge of the lake. Generally, every year after July Findley Lake turns pea green. They had a new harvester, they've had problems with it, they needed to get it fixed, and they've gone to the community. They're very self-reliant out there. They do what they can, but we work very hard to support them. Conversely, Chautauqua Lake has an awful lot going on. This year, more science and opportunity was brought to Chautauqua Lake than ever before and I'm not talking kitty car stuff, I'm talking world class scientists coming to Chautauqua Lake. So, they've got some mojo and we've got to do what we can to sustain that as well.

Chairman Odell: Thank you. That's the best explanation yet. I appreciate that and it makes absolute sense. I'm just looking through other enhancements and protections- NEXUS, that's probably one of our next best investments out there. Our contract with NEXUS acting as our lobbyists in Washington, getting us the appointment, getting us the attention. I like that. Everything in her I like, except the cuts to Soil & Water. That one is bothering me just because of the leveraging capability that they have, but I know and I understand fully how we're discussing current generation today- looking at generating revenue and stuff, but we need to be mindful of taking care of the upstream mitigation, so I think there might be a board member from Soil & Water that might back me up a little bit on that?

Legislator Gould: Absolutely. I'd do more than back you up. Soil & Water generates millions of dollars to farms in this county and you guys give a lot more to industry than you do to the farmers and the farmers are the biggest industry in this county and you constantly cut them. With the state regulations on farms and everything now, these farms have to do more and more than they did 30 years ago. Now there's so much more they have to do according to (*inaudible*) and everything, and I'm very much against this \$10,000 cut for Soil & Water because of those

reasons. I've always felt that the agriculture in this county wasn't funded enough, but they've been able to get along and it's getting to the point where they can't without help. I'm not asking for the same help as industries, all I'm asking for is this \$10,000 back. There are other agencies that weren't cut 10%. Lake Erie is one-

Chairman Chagnon: Mr. Chairman, could I suggest-

Legislator Gould: Bear Lake, Cassadaga, none of them were cut like Soil & Water.

Chairman Chagnon: Several years ago we were successful in getting additional funding for Soil & Water to do work to help Chautauqua Lake in terms of stream bank stabilization, developing projects to help with streams and shorelines, providing hydro seeding in the watershed, dealing with the farms in terms of getting them into the agricultural economic programs. So, I would say that the work that they do to help Chautauqua Lake, I think it would be appropriate to restore the \$10,000 to Soil & Water and take it out of the appropriations for the alliance. How about that? That comes from the chairman of the alliance.

Legislator Gould: Thank you sir.

Chairman Odell: Who would like to make a motion to that affect?

Legislator Harmon: I'll make that motion.

Legislator Muldowney: Second.

Chairman Odell: We have a motion on the floor and a second, all in favor? Opposed?

Unanimously Carried to Amend

Chairman Odell: There really wasn't much to change, but it was a different year, obviously. When we did try to look at the prioritizations, again, how do you pick the favorite child? I think the equal distribution of cuts across the board is what was necessary. Thank you very much to all of you and to Mr. Chairman of the alliance for that generous offer of reallocation of funds. It looks like Kathleen has a question.

Mrs. Dennison: No, I have a comment on a separate issue. I just wanted to bring up for your consideration the occupancy tax allocation for parks. In the department of Public Facilities hearing there was some discussion about decreasing the budget for parks. The way that the budget is set up right now, if we decrease the expenditure on parks that does not translate into any local share savings because there is \$134,000 and change that's allocated from the occupancy tax to parks. So, there was some discussion about closing parks. I just want to bring that up for your consideration if you want to make any changes to the occupancy tax when it comes to parks because we do have a significant decrease in the overall amount in the occupancy tax, so if there was any change in parks that savings could be allocated to other agencies or it could be a further reduction in the occupancy tax budget since we have the knowledge that it is down 30%, but that may not be enough.

Chairman Odell: We're straddling two things here. We're holding the purse for this, but it's under the direction of Public Facilities.

Legislator Nazzaro: Well, being a member of Public Facilities, Kathleen, I do appreciate you bringing that up, but we did not make a motion through Public Facilities to change what was allocated to the parks. When we did our rankings parks was at the bottom, but we had the discussion that again, if we decided not to fund the parks it's not a dollar for dollar reduction because of what we get through the occupancy tax. So, at least at this time, that is not on the radar. A motion did not come through, so I anticipate we will not be reducing the funding to parks unless somebody else brings it up. I appreciate you bringing it up.

Legislator Gould: That is correct.

Chairman Odell: O.k., that carries us through the end of this portion of the budget presentation. Questions from the Planning & Economic Development committee? Audit & Control has been pretty quiet.

Legislator Nazzaro: I just want to say that I think part of the Covid Finance Team- I do appreciate Mark and your team. You were very responsive to the County Executive's request. You gave detailed explanations and I appreciate all that you're doing. I think that your plan to consolidate and have one director and bringing the two departments together- I'm very supportive of that. Thank you for all you do.

Chairman Odell: Thank you, Chuck. I agree 100%. You guys have had a whirlwind year (*inaudible*) writing the plans, the templates that were adopted throughout the state, (*inaudible*) and being asked to apply to get their \$10 million loan. That was great. Thank you very much. Any other questions from either committee?

MOVED by Legislator Harmon, SECOND by Legislator Muldowney to adjourn.

Unanimously Carried (2:41 p.m.)

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