

Budget Hearing Minutes
Audit & Control Committee
Friday, October 9, 2020, 9:00 p.m., Legislative Chambers
Gerace Office Building, Mayville, NY

Members Present: Nazzaro, Gould, Odell, Niebel, Harmon

Others: Tampio, Ames, Dennison, Hansen, Chagnon, Bentley, DeAngelo, Crow, Button, Hemmer, Wendel, Abdella

Chairman Nazzaro called the budget review hearing to order at 9:03 a.m.

Chairman Nazzaro: Welcome to day 5 of the budget meetings. Today we have several things that we'll be talking about. The first is, we brought back Brad Bentley to go over a couple of items that we had discussed in our previous meetings. Thank you for coming back Brad. There is a couple of things we're going to talk about. Brad had sent out an email yesterday regarding the pavement markings. If you remember there was a recommendation from Public Facilities to reduce by \$100,000 the amount allocated for pavement markings stripping. So Brad has sent out more information so Brad if you want to go over that. It was pretty self-explanatory but would you give the high level view of that?

Mr. Bentley: Yes. Good morning everyone and thank you for having me back. As Mr. Nazzaro indicated, I did send out an email, if you don't have it, I can go through the numbers this morning at a high level. First just to clarify the record from Wednesday, since there was a lot of questions on the accounting and how much stripping we did and I went back and asked my Supervisor, I'll say that as I indicated in my email, my Supervisor and I had a miscommunication which happens from time to time. He had told me that he had stripped all the roads there was a little caveat that ended with it that I didn't pick up which was he stripped all the roads that was in his plan and budgeted for. So that ended up being about 55% of the roads. He said that is the first time he's ever been able to accomplish that given the other constraints that always come up with it. But, in talking to the Supervisors, they feel they need to stripe all the roads each and every year. What has hamstrung them in the past was not having enough money because they only budgeted it, they don't schedule the work. If given the money we would do it. It's not a fact of that we haven't never done it in the past, it's never that we budgeted to do it in the past. So if we budget to do it, we will get the work done.

Also what I emailed out was the calculations so I'll go through them right now. To stripe a mile of pavement, it is 32.5 gallons of yellow and 32.5 gallons of white. If you think about that realistically, you go down a mile road that makes sense, that's how many gallons it would take to do white lines on both sides and the yellow lines in the middle.

Legislator Gould: They're equal, the white and yellow paint so that would make the white line half the width as the yellow line.

Mr. Bentley: There are two white lines and in the no passing zones, there's two yellow lines.

Legislator Gould: Yeah, and if it's the same amount of paint, something has to be different because there are two lines of white and one line of yellow.

Mr. Bentley: Where there is a no passing lanes, there are two yellow lines. So there are two yellow lines in the middle and one white line on each side.

Legislator Gould: Oh, we're counting those as two in the middle now.

Mr. Bentley: Well, that's the equivalent paint because they are both the same size. So yeah, it's basically, you need to paint 4 lines, 4 inches wide. So two yellow, two white, roughly the same amount of gallons. The price for yellow paint because of the pigment is more than the white. What the paint comes in at is 275 gallons in a tote. So they come in a big tote like this and the yellow is – and these prices vary. It's much like oil and paint varies based on supply and demand. So, the yellow as of the time when we put the budget together was estimated at \$3,033.25 and the white was costing us \$2,290.75. So, we have 550 miles of road, if you multiply 32.5 gallons times 550, that's 17,895 gallons needed. If you do the math of the number of totes times the number of gallons, or do that division times the price, the cost for the yellow paint is \$197,161 and the cost of the white paint is \$148,899 but that is not the end of the story. If you notice that when you drive at night and I pointed this out to my daughter last night because I was thinking about it, is, at night when you look at the road, there is actually glass beads that make it slightly reflective that have to be added to the paint. That is why you actually see it at night and it reflects a little bit. Those glass beads are 7 pounds per gallon and to do what we need to do is 63 boxes for yellow, 63 boxes for white and \$540.00 per box so that's roughly \$32,760 each for yellow and white. You add all that up together you get a grand total of \$411,380 is what would be needed to stripe all the road miles for the County roads. On occasion, we'll be asked to do shared services with towns and villages whereby we provide the truck and labor and the town or village would pay for the paint. That's occasional and it's based on resource availability obviously. Our roads come first and we'll try and help out where we can. But what happens in the accounting world with that is, I still have to buy the paint and they reimburse us. So, in this account, and I don't think we should budget for it because it's occasional and it's based on availability to do the work. Because like last year or for 2020, with no availability of workers we did not do any shared services with the towns or villages because we're behind on our work. I don't want to budget that way but if asked to help, my budget would go over if I were to help because that's the way the accounting works.

Legislator Niebel: O.k., Brad, if I have this straight, last year we did or I guess this year we did 55% of the roads?

Mr. Bentley: In 2019.

Legislator Niebel: O.k., 2019, 55% of the roads?

Mr. Bentley: Yeah, we're still doing – 2020 is still in process. If you take a drive down Lakeside or Jones & Gifford, still not done yet. So, we're still actually trying to paint this year.

Legislator Niebel: And what percentage of roads are we trying to do this year? In 2019 it was 55%, what are we doing this year?

Mr. Bentley: I would like to do them all but my budget was cut to \$175,000 so I'm probably going to end up doing, if we spend all that money, I'm probably going to end up doing about 45%. But we're still working on it and trying to catch up.

Legislator Niebel: So next year in 2021, you'd like to have \$400,000 to do all of the roads, all 550 miles?

Mr. Bentley: Yes, that's what should be done each and every year.

Legislator Niebel: When is the last time we did all the roads? We didn't do it in 2020, we didn't do it 2019, do you have a year that was the last year we may have done all the roads?

Mr. Bentley: I don't think that we've ever done it. The reason why is that we don't budget for it.

Legislator Niebel: I guess that brings me to my next question. So in 2021, you've budgeted \$400,000 to do all the roads.

Mr. Bentley: Yes.

Legislator Niebel: Do we have the capacity, can we do that?

Mr. Bentley: I believe so, yes.

Legislator Niebel: Because we have never done it in the past.

Mr. Bentley: Right and that's because we don't have the money and I can tell you so far last year, we had to do an amendment to increase the paint budget and even this year we went a little bit over. There is an amendment coming to increase the paint budget because we have more needs than what we have money. I listen to my Supervisors, I'm in charge of a lot of stuff. It's not just roads and bridges as we talked about on Wednesday. There is a lot of things that I am in charge of so I do rely on my Supervisors to tell me what their safety concerns are and I listen because they are out there in the field, they hear – I hear probably 10% of the complaints that come in, maybe even 5%, they are fielding the phone calls, they are fielding emails, they are fielding the in-person, when they are out on the crews doing all that. And I know Jay is shaking his head, if Mr. Hemmer was here, he could tell you the same thing that my office –

Legislator Niebel: Jay is always shaking his head and that doesn't mean anything necessarily.

Legislator Gould: Just to stay awake.

Mr. Bentley: So I rely on my Supervisors to tell me what they need to maintain the safety of our roads in the most appropriate way that we can and the most cost effective way. So they put together this estimate and as you can tell, it was put together with a lot of thought and a lot of – it was not done –

Legislator Niebel: It's right on as far as the estimate. Brad, look, I'm not opposed to doing this because I too think there is a safety concern here. I guess my thought is, if we provide this \$400,000, we will be able to do all the stripping next year that you'd like to get done?

Mr. Bentley: I'm going to put a little asterisks next to it. As long as I can hire my seasonal's and I don't have another COVID year. Obviously this year where I had to furlough or there was a voluntary furlough of two months of my highway staff, there is no way to meet that expectation under those conditions. Under a normal year, I believe I can do it and that's what my Supervisors are telling me. So, I have to put a level of trust that they are able to manage that. I will say this as I talked about on Wednesday, we did no oil and stone this year. When you do oil and stone, you cover all the lines, you have to put them back. And we normally do about 80 miles of oil and stone. We're going to have to catch that up and we're going to have to stripe all that in addition to everything else that fades.

Legislator Odell: I have a couple of questions and I think you were starting to get there. As we look at, o.k., we can do all the stripping, it can't be all done in one day, it's a process throughout a season. But we're also going to have construction going on so I was just going to ask, what do we have in the pipeline for next year with the budget? Probably miles of new road bed or gravel and oil and then it will overlap from there. I mean, is it feasible to actually get all of that accomplished?

Mr. Bentley: Given that we couldn't do the oil and stoning this year and we have the money from CHIPS and PAVE NY, we actually did more – another set of in-house paving roads and actually contracted out some jobs that we're over \$500,000. So we did use the money and it was put towards the roads that had the most need. County road 86, that was in some rough shape so we were able to get the contractor on last September. There is some more nova chip projects going on right now via contractor. So to Mr. Niebel's question, how can we do this? Well, sometimes we contract out and sometimes we do things in-house. We can look for share services from towns and villages to help and assist. So, we find ways to get the projects done because we always run out of money before we run out of projects. We're very smart people and as you said, painting, we need the dry days but we have a paint crew. They will just go around and paint, paint, paint, and that's the actually the most economical because if anybody who's rented a paint sprayer or owns a paint sprayer, when you put paint in the machine, you need to make sure you don't let it dry out right? You use it and then you have to clean it so there is cost to doing paint, not paint, cleaning the machine out, wait, go back, you want to do this continuously so that is what we do. We actually – we started late and we have some favorable weather and we're out there, we haven't put away the paint truck yet.

Legislator Odell: This doesn't effect on the budgetary side but was there a supply issue a couple of years ago, wasn't there, on yellow?

Mr. Bentley: There is a supply issue this year as a matter of fact.

Legislator Odell: Really!

Mr. Bentley: One of my Supervisors asked me to bring this up so I'm glad that you brought it up for me. At the beginning of the year, we don't know if we're going to be able to get paint or when it's available but yellow pigment was an issue and that goes to cost issues. We have needs at the beginning of the year and to keep the lines visible, we actually want to start early but sometimes the paint is not available. It's good to have a little bit of stock on hand and right now we have nothing. We're using the last gallon out there. That's why we're going to be asking for an amendment to go slightly over budget of the \$175,000 by two or three grand, I think. But that is to get done the basic, put down what's required in the yellow.

Chairman Nazzaro: I want to make sure the Legislators get their questions answered on the pavement markings and we do have another topic for you Brad. I have one observation –

Legislator Niebel: And I'll have a comment.

Chairman Nazzaro: My observation Brad is and where I'm struggling now and I know that you clarified the comment is, to Terry's point, as far as I have been here, as far as I can recall anyway, we've never fully funded the paint supply to do 100% of the roads. I'm not arguing about the safety of it. That's certainly not the point. The observation I have, 2019, nothing to do with the COVID, you were for the first time able to complete what you had in your budget application, which was 55% of the roads so what that tells me is, this line item is for the supply but you still need the availability of your staff, your road crews, you have all the other things going on, the paving, the chipping, all of this stuff, so it seems to me based on past trends, it is difficult even if we give you the money to do 100% of the roads because you've never done it and in 2019, the comment was, this is the first time we've been able to complete what we had, which is only 55%. So, the observation to me is that, if we fund the full amount, it will still be a challenge to get all the roads done. We will discuss later, we have a series of amendments that came from the other committees, but, I think we're making a good step by funding \$300,000 because that says that you can get 75% of the roads done which is a 50% increase in what we've ever given the department. So that was my observation that even when you were funded at half, you're not always able to complete the job. That's just my observation.

Legislator Niebel: I think Mr. Chairman that he indicated that they would do as much as they could through the County DPW and then contract or subcontract some of the rest out. Is that what I heard earlier Brad?

Mr. Bentley: That's for paving jobs. But, I can actually help you with that because I anticipated that being a question. That was an easy one. So, when we run out of supplies, I have to send my crews out to do stuff that doesn't cost material costs. Vegetation management, digging ditches, so, what's more safe? A line, a ditch, shoulders, well shoulders cost money because of gravel but, we make choices every day in the DPF, what to work on, based on (*cross talk*). It's not because we can't get things done, it's because we run out of money to do the job. So, if we are allocated and I'm here today, if we have the money, we're going to put an emphasis

on completing 100% of the roads that should be done. Instead of maybe doing some of the tasks that might be less (*inaudible*), digging the ditches, which needs to be done.

Legislator Niebel: Or mowing.

Mr. Bentley: Or mowing, we have a weed spraying program, we have some other stuff, but we make choices on what to do based on our money and so we don't complete stuff because we don't have the money.

Chairman Nazzaro: O.k., I just want to make sure we keep moving here. So Brad has given us some additional information and clarified some so as we go through our – Kathleen will go through our changes, we will discuss whether we keep the \$100,000 reduction in or whether we want to consider something different. Brad the other question came up and I have to thank our Chairman, Mr. Chagnon for this, when you were going over the FTE's for Public Facilities, you explained in administration adding one new FTE. You explained it very thoroughly and we don't need to go over that again, about how the payroll is manual and you can't rely on the obsolete software we have, so you added an FTE but also when you look at your administrative budget you are up 1.67. When you and I and Mr. Chagnon talked, you indicated that you had an employee who was at the landfill, I believe.

Mr. Bentley: Yes.

Chairman Nazzaro: And now is partially allocated to you.

Mr. Bentley: She's a part time employee that was partially allocated to the landfill. So, that person came back with a hiring a replacement for Mrs. Braley because her position kind of got transition a little more to an account clerk.

Chairman Nazzaro: So she's now fully allocated –

Mr. Bentley: She still does help out some of the landfill but for budgeting purposes for 2021, I'm anticipating that she's going to be able to help out the admin piece but, -

Legislator Gould: She went from part time to full time.

Mr. Bentley: No, she's still part time. She's just a partial full time employee now fully in the admin budget as opposed to being allocated to the landfill partially.

Chairman Nazzaro: So she's now Jay, mostly allocated to the administration and you had indicated that she had been doing your payroll manually and doing it well so the question is, and our Chairman can chime in, this is an open meeting, anytime that you currently don't have this one FTE filled, the addition, and do you need that position now that you have this individual working for you, helping you with the payroll, can we eliminate that position? The additional one FTE.

Mr. Bentley: So obviously when I put this budget together it was back in June, we were going through COVID and at the time, that person was not doing the payroll and I didn't have anybody that could so I was paying a Grade 20 employee, four hours a day to put in data entry. The person who is doing it now was doing a lot of work for the landfill still because it was 2020. We're talking about 2021 and the changes going on there. I was not sure if I was going to get her back at that time and I was not happy with paying a Grade 20 employee to do Grade 2 work. That was unacceptable to me. I was in a bind because the software was going away so the only way to get out of this was to propose to hire a Grade 2 person. I'm not completely out of the woods. The person doing it, she's doing a good job. There is still some things that my Grade 20 person has to do so I'm hopeful that that will continue. The other thing that has really come about through COVID that I didn't anticipate which is why I continue to keep this in here was centralized purchasing. Centralized purchasing was supposed to alleviate the administrative staff responsibilities in my department which is why I gave up an employee at the end of 2019, beginning of 20', to go over to the Finance Department to assist with that. So, without centralized purchasing, I'm now expecting to get back a lot of work that I anticipated losing. So, the original need, I'm addressing, I think, adequately but, I'm seeing these additional concerns that I have that I'm going to have more work than I can handle. This is the critical group that handles all the invoicing, all the purchasing, all the bills, all the electric bills. As a matter of fact, we handle all the electric bills for the County as far as paying them and then allocating them out. They do all the HR, so for all the departments that we have discussed on Wednesday, that is a lot of work and this is my staff, so just to give you an idea of how lean it is. Sam Zafuto, my Fiscal Supervisor, I have Pam Fardink who handles Buildings & Grounds, and I have a part time employee that we talked about and I have Gatina(?) (*inaudible*) who handles all the salt, fuel, gravel, all the invoices that come in. So when we do a road, GMI will send us a list of slips that will stack about this high and you have to go through each and every one of them to figure out tonnage on the slip, make sure it all adds up, it takes a lot of work just to process a road bill for asphalt. All those salt slips, salt comes in by semi so that's my staff. This would be one person in addition to that at a Grade 2, a low level to preform work. Otherwise I'm probably going to be having higher level people who should be doing contract administration, doing, this will be a Grade 2 person and the cost, as we've talked, as I indicated yesterday, the cost of this position with labor and benefits is \$54,000.

Mrs. Dennison: Yes, it's \$54,950. Just to clarify, it's a Clerk II but it's a Grade 4.

Chairman Chagnon: Brad you referred to today and yesterday that you gave up a person for centralized purchasing. In looking at the 2020 budget, the FTE's in this department are essentially the same as in the 2019 budget. Slight decrease, I think .18 or something like that and now they are going up in the 2021 budget. So I'm confused as to where the one person that you gave up for centralized purchasing, what happened to that position?

Mr. Bentley: So as I indicated last year for the 2020 budget, when I got here, there was a massive amount of cross allocations. Like, even my position was allocated out to four different divisions, Sam's time was allocated out to three or four different divisions and I couldn't figure out why. It was at a large level, well, you kind of work on that stuff maybe part of the time. So what I wanted to do was I wanted to eliminate that because I couldn't figure out where the FTE's were. It was too confusing to be honest with you. So, I wanted to bring those back. There was a

lot of movement in allocations that add up to bigger numbers so that probably got lost in the allocations much like here. Just even bringing back one person at part time at 60% I think it was, that adds to a half FTE in the budget and you don't see that because it's just a line allocation. So I think that position got lost in the correction of all the allocations.

Chairman Chagnon: O.k., thank you.

Chairman Nazzaro: I don't know what we're going to do with that yet. When you're here, I do have a thought but I'm not – I am concerned about the cleaning of the buildings too.

Mr. Bentley: Do you want me to give you an update based on – I mean, I think that it is good information for you and the other Legislators. I think I just sent it to you. I went away Wednesday with the knowledge of the FEMA, elimination of the reimbursement for 2020 and the motion to eliminate the revenue for 2021. I embarked on a mission to go ask if I could not do the cleaning with the Public Health Director and others. I'll say that it was met with resistance about having to change operating plans, so my concern now is, if we take out the revenue, that's fine because that's probably not going to be there. I think that's appropriate but if we take out the expense and I still have to do the job, I don't know where I'm going to get the money and we're going to – it's like an unfunded mandate. I have to do the work, I can't not do the work if I'm told to do it and I'm just going to be over budget. I don't think that's – there has to be some reconciliation. So I'm continuing to ask the question to see how we can get out of it. If it's still required, what needs to be addressed in paperwork maybe but –

Chairman Nazzaro: I'm going to ask you a quick question and then we'll have to move on. This is just my thought, I haven't even discussed this with anybody but I'm giving you a preference. Would you rather have us eliminate this additional administrative position and possibly because it's not my decision, I'm not making a motion, to reinstate the temporary cleaners?

Mr. Bentley: I would rather have my admin position.

Chairman Nazzaro: O.k., because I am concerned about the cleaning and I know when we ranked the priorities the buildings were down farther than certain other things. So I just wanted to know, because I glanced through what you sent so I just want to know if you had a preference and you just said you would rather have the administrative person.

Mr. Bentley: If the cleaning is required, we're going to do the required cleaning. That's not a question. What I question in the responses that I got back from everybody was, it still didn't appear to me that it was required. It was more that while you had stated in paperwork six months ago you were going to do this, if you are going to change, you have to change the paperwork. So, I wasn't getting back that was still required. It was, well, if you are going to change, you need to document your change.

Chairman Nazzaro: Going back to the administrative position then, real quick. When you talked to Pierre and I, you have not filled this position and you did indicate that you may or may not fill this position, is that correct?

Mr. Bentley: As I always do and I come here every year and I will continue to do it this way, I want to tell you guys what it cost to run an efficient shop and have the right people in the right place doing the right job. Like I said, I don't want a Grade 20 Fiscal Supervisor being a payroll data entry clerk. I'm not going to do that. I'm going to have more changes come at me, things change from budget as they always do, but my commit is always been and always will be that I'm only going to do the things that run my department efficiently. So, if I don't need that person, I won't hire it but if I find that centralized purchasing is – I'm having people do things that they either shouldn't be doing or that I'm losing track of things that we, much like the airport, where contract administration is, not allowing us to go after grants we should be going after. If I'm finding ourselves in a problem area like that where either I can't do payroll or bills aren't getting paid on time or invoices are falling behind, we're not paying our – I'll need help and I'll hire that. But right now, this is 2021 budget so we're going to see where that goes and I'll run it that way. So if I don't need it, I'll (*inaudible*) as I always do, I won't spend it but if I do need it –

Chairman Nazzaro: O.k., one last time for the committee. Any questions for Brad? O.k., I thank you and as with everything, we'll consider all the information you provided. We have several things that we have to go through today and when we get to that point of reconciling, we'll discuss the information you gave.

Mr. Bentley: Thank you for the opportunity, I really appreciate it.

Chairman Nazzaro: O.k., next, was the County Executive coming in?

Mrs. Dennison: He will be here between 10:30 and 11:00. He had another commitment this morning so he will be here after that is completed.

Chairman Nazzaro: We have Todd Button here and I think a big hot item in the room is sales tax. So Todd, come on down. This is not the Price is Right. We don't have any prizes for you today.

O.k., boy how things can change in a short period. We were in here what, three days ago, Tuesday, talking about sales tax. We were waiting for this next report which we got. The Administrative Services Committee made a recommendation which I agree with, at the time, I know you did too, to reduce the tentative sales tax projection for 2021 by \$2 million dollars because we're seeing decreases. We thought we'd continue to see a 10 to 12% decrease and then we get our next payment which was 35% more for the same period. So we need to talk about this because our Committee, we're sort of trying to – is the Executive's budget that was presented that was the same as the 2020 adopted budget, a good number? Do we still feel it's high? So, we'll open it up Todd, your thoughts. On this payment, why it came in so large.

Mr. Button: The short answer is I don't have a good answer for you. Thinking more about it and with some additional information that we got from NYSAC as to what they are being told, again, this payment included a quarterly true-up because of the number of filers that not only file their returns only on a quarterly basis but also for all the monthly filers who send in their actual results. Again, I will repeat what I said the other day, what makes this difficult is that the State remits to us on a monthly basis the cash that they've received however, they don't have

the actual data from where the actual sales points are until the quarterly returns come in and then they can allocate it accordingly. So typically they allocate based on history. The big unknown in this was the taxation of internet transaction which went into effect in July of 18'. So, that being said, the State is a year behind on having a good history on how to allocate their cash flow as it comes into the State. We experienced this first back at the end of June where we had been showing some absolutely horrifying numbers that we were running 30% behind and one payment alone corrects it to 12%. This time around we were continuing with a 12% deficit and one payment now brings us for the quarter, we're 4.2% above history. Honestly, I don't fully comprehend it. I take it as a good sign but will that continue, I don't know. What I can tell you what that does for us though is, that payment squares us up so that we are now on a strict fiscal comparison. We are now just under 1% behind 2019. Actually it's .84% less than 2019. So, as I sit here and look at the history and look at what's been going on here, I have a reasonable belief that we have a shot at breaking even this year compared to last year if everything continues on the way it has. But it's not a guarantee. We could come in even, we could come in plus 1%, minus 1%. I don't have enough great information on that to tell you anything better. My only concern as far as the figure that you are looking at for the budget for 2021 is that I went back and looked at some of the history here, in 2018, the County realized \$39.6 million dollars in sales tax revenue. In 2019, we realized \$41.6 million which was a 5% increase over that – 2019 over 2018. The 2020 adopted budget was an additional 1% above 2019, so if you are looking at it over a three year period of time, we started off the 2020 budget 6% over what we did in 2018. That number to me seems awfully optimistic because I think 2019 in of itself was a very good year for us because 2018 was actually a fairly decent year as well.

Chairman Nazzaro: Todd was it – and I agree with you. I'm not putting you on the spot by any means, I'm just getting your – because you are close to this, you get the reports, so just your thoughts and again when you were here three days ago or whenever it was, I agree with everything that you said. About the projections being high based on the information we had at the time. Again, the \$2 million dollar adjustment at that time, we still had to discuss it in Audit & Control but it didn't seem totally out of whack. I just want to make sure of this internet, you mentioned 2018, it was 19' wasn't it?

Mr. Button: July of 2019, yea.

Chairman Nazzaro: That's fine. I'm getting asked this a lot now so prior to that and I know I asked this before, if you bought something on the Internet and it was being shipped to your house, you only paid what, sales tax if they had an operation in your State or your County? Do you know how that works?

Mr. Button: I'm not an authority on it Chuck but I almost think the way it was working was, if you were buying it on the Internet and it was being shipped directly to your house, you probably weren't paying anything. Because you were getting it strictly over the Internet. If you were buying it over the Internet, for example, and picking it up at Wal-Mart, you were then probably paying the sales tax because of the (*inaudible*) the fact that they had a physical location.

Legislator Odell: Yea and if the seller had brick and mortar in your State that's usually how it works.

Ms. Crow: (*Inaudible*) even though there might have been a brick and mortar in your State, if they were selling through Amazon and you were purchasing through Amazon, Amazon didn't have a physical presence here so then you weren't paying sales tax –

Mr. Button: Right, Amazon was the big hole.

Ms. Crow: (*Cross talk*) they captured a lot of that too. So, there were a lot of things that were additionally captured when they made the change in the law.

Chairman Nazzaro: So obviously this is having a huge positive effect on our sales tax.

Mr. Button: It is, for us. One of the problems that we have is, aside from the number we get from the State, we don't get a lot of information as far as what the data is behind it. I can't sit here and tell you what that sales tax is comprised of, what segments is it. What makes it a little more confusing is that we did get a report from NYSAC the day the sales tax payment came out which was just a county by county recap of where the counties were on a cash basis year to date with that payment and for example, our county, Cattaraugus County, a couple of other neighboring rural counties, we were about at the same level. It was showing that with that payment, we were basically breaking even with last year. Yet you look at Erie County, they were down \$13 million dollars which was about 5% over last year. So, this is what is confusing about it because you drive around and you can see all the businesses that are not open, all the activities that did not occur this year, so I don't know what is generating the sales tax. Did people go out and buy new cars, I don't know. Is it home improvements, I don't know. It's really not the price of gasoline because gasoline had been fairly stable or even down from what it was a year ago and that's usually a big component of our sales tax as well.

Chairman Nazzaro: Legislator Scudder had called me and I'm going to give him credit for putting this thought in my head and I know that he called Legislator Chagnon too, what could be happening and you could dissect this as many ways as you want, to your point, people are not, due to the COVID, for other restrictions, are not traveling to Erie to shop as much or not traveling to the Walden Galleria mall as much because they weren't open for one thing until recently. So now people, instead of going to the other counties or outside your state to purchase goods, they are going to Amazon and now you have Amazon Prime Day coming up here next week and all you hear on the radio is all the big sales and price comparison so Todd, that could be part of that. Where are we then, for the 2020, I know we amended the budget but how close now are we to the 2020 adopted budget.

Ms. Crow: I can tell you.

Mr. Button: To the adopted budget which was the \$42 million –

Ms. Crow: I have it all calculated – to our adopted budget?

Chairman Nazzaro: Because our 2021 is based on the 2020 adopted.

Ms. Crow: Well, it depends on what you're projecting for the rest of the year how close we are to the adopted budget.

Chairman Nazzaro: So I guess, year to date. I mean, are you able to –

Mr. Button: Year to date we're at \$28.1 million dollars of actual.

Ms. Crow: Yea, we're .84% - well that's below last year's but let's –

Chairman Nazzaro: Because again, I know the 4th quarter is the biggest quarter.

Legislator Odell: To that question Chuck, we're talking about quarterly true-up, is this a fiscal quarter or are we on calendar quarter, was this true-up for Q3?

Mr. Button: It's the State's quarter. I believe it's the -

Ms. Crow: What we're talking about is what our budgeted quarters are. What we include that we receipt in the year.

Mr. Button: The State's fiscal reporting quarter which is June, July, August would be the State's fiscal sales tax quarter that would have been involved here.

Legislator Niebel: Todd, the other day when you were here, you kind of indicated that we had overestimated our sale tax revenue by anywhere from \$2 to \$4 million dollars but now, based on this latest information that we've received, what are your thoughts now because I do value your input.

Mr. Button: O.k., for 2020, the adopted budget was the \$42 million, the mid-year COVID correction, we knocked off \$4.1 million so our adjusted budget for 2020 is \$37.9 million. If the trend holds and we actually breakeven in 2020 with what the 2019 figures were, then we should still realize about \$41 million dollars of that. So it could be that we actually still come in over the corrected budget.

Ms. Crow: Our year to date we're running \$950,000 below the budget to date, through this particular payment.

Chairman Nazzaro: The adopted budget.

Ms. Crow: Correct.

Chairman Nazzaro: And the reason we keep focusing on that Todd is because that is what is in the 2021, is the 2020 adopted. So right now, if this was the end of the year and we had everything in, which we don't of course, we'd be off \$950,000 to the 2020 adopted. So, I know that we have to have this discussion, we can do it now while we're here and of course part of the fact would be where everything ends up and we total everything.

Legislator Niebel: And next week we're going to have another estimate on the sale tax possibly.

Mr. Button: Well, we'll get the final payment for October, it will be a smaller payment. That will give us what the final figures for this most recent quarter that we're going to be distributing.

Ms. Crow: Our next payment is – the payment we got this week was \$8.3 million dollars. Next week's payment is going to be about \$1.6 million dollars so it's a much different payment.

Chairman Nazzaro: What, we get payments every two weeks?

Ms. Crow: Twice a month, basically.

Mr. Button: Most months we get paid twice a month and in June and December we get three payments.

Chairman Nazzaro: Because this payment was \$2 million dollars more than what it was a year ago.

Mr. Button: Yes.

Chairman Nazzaro: So, I think what Kitty is saying is the next payment is a much, much smaller payment and it may or may not effect and this could change several times. I mean I will say \$2 million dollars based on this information is just too much of an adjustment. We could later talk about this when we shore everything up. I'm thinking more it should be like half of that, a million, and maybe that's too much. But, the thing we have to keep in mind is, all the other changes, the big looming thing and since we have Todd here we don't need to go back over that. I believe he's making or did make the \$800,000 entry.

Mr. Button: I did for September.

Chairman Nazzaro: For property taxes, for the reserve, correct? So now we've added \$3.8 million?

Mr. Button: Three point eight million reduction this year.

Chairman Nazzaro: Right, again, that does not affect the budget right now but down the road it could have a devastating effect if we don't collect those. If I understand it right, I mean eventually you have shore this all up. So, I think later when we finalize because Kathleen prepared our sheet for us, I think that we should make a recommendation out of this committee before we adjourn today. It doesn't mean that we won't change it two or three more times.

Ms. Crow: Maybe another data point for you. If I plug into this sales tax model that the rest of the payments would be the same as last year, then, that would put us about \$670,000 less

than the 2020 budget. If we assume that the rest of our payments were the same as the 2019 payment, we would still come in less than the 2020 adopted budget.

Legislator Niebel: So this next payment, next week, if it's \$1.2 million or whatever it is, we can compare that to last year's because it would cover about the same period?

Ms. Crow: I don't think that it's going to be anything that we can base any trend on because we know that at the end of the 4th quarter, we're going to have an adjustment just like we had at the end of this quarter and at the end of last quarter. So I'm not going to make any predictions based on next week's payment. One; because it's a small payment and two; because we now know we're going to have a big adjustment at the end of the 4th quarter. Also keep in mind, our 4th quarter sales tax make up over 40% of our annual sales tax budget.

Legislator Niebel: So we can't make any projections, you don't think, off of this next –

Ms. Crow: I think that we have about as much information as we are going to get before the time you are going to be voting on the budget.

Mr. Button: I agree. I think just based on the data that we have here, I think our best hope is that we break even with last year.

Legislator Niebel: You guys are more or less in agreement?

Mr. Button: Yes.

Chairman Nazzaro: So again Kitty, you said it was \$675,000, roughly?

Ms. Crow: Roughly.

Chairman Nazzaro: I mean, do you guys want to wait, the Committee.

Legislator Odell: Just to bring up a few points. We (*cross talk*) from the numbers but thanks for shoring up the quarter that is in question, June, July, August. I mean we're looking at the numbers and predicting but let's look at the reasons why we have these numbers. I think this is more of an anomaly, this June, July, and August. People are seeing stimulus money, people are buying on the internet, obviously because they have nowhere else to go. Much of our labor force was laid off, many people were making much more on pandemic unemployment than they were at their regular jobs. I think this is a windfall. I don't think that this is a trend towards norm but because what was done at the stimulus level, its created norm for us which was part of the reason. I think this an anomaly, I think our initial instinct to cut by \$2 million is correct and if it's not, we get more next year, awesome. We can buy more paint, right and put it into where it used to be. I'd like to see us be cautiously optimistic. Under promising (*inaudible*) over delivery but first thing I think what we're seeing in these numbers is an anomaly. It's an anomaly by design to keep us true.

Chairman Nazzaro: Thank you Mark, well said.

Legislator Niebel: Are we talking about June, July and August? Is that the quarter?

Mr. Button: Yes. That was the most recent quarter.

Ms. Crow: The payments to date represent activity through August.

Legislator Odell: No one could find a bicycle, a tennis racket, or a kayak this summer. I mean, that's the spending spree but (*inaudible*) garage sales next year.

Chairman Nazzaro: What I recommend because this is the one that's the hardest one to figure out, we'll go through the other adjustments and then take into account Brad's discussion and anything else you want to bring up. Then why don't we do a couple of scenarios to say, I agree with you Mark –

Legislator Odell: That's fine but I don't think that we want to say we're going to be great because I don't see next year as that.

Chairman Nazzaro: Because again, this is a crap shoot, I hate to say that but we really don't know. You brought up a good point and every time I hear different point and then I go, wait a minute.

Mr. Button: That's a good point too.

Chairman Nazzaro: I listed to Mr. Scudder which made very good points. Now you are making a very good point, yea, people are buying. People aren't traveling so they are spending their money – it's like home improvements are going through the roof because people aren't traveling. They aren't going out like they used to so we'll have this discussion, we'll come up with recommendation before we leave today, but I think probably doing a couple of scenarios, plugging in the \$2 million, plugging in maybe a million or million and half or whatever we want to do here –

Legislator Niebel: Five hundred thousand.

Chairman Nazzaro: So, why don't we do that and then we'll have a discussion. It's a group decision.

Chairman Chagnon: You also want to hear from the County Executive, I'm assuming.

Mrs. Dennison: I was just going to mention, Kitty and I, last night we did contact a few other counties to see what they are budgeting so we do have some of the feedback so I can share that with you or it can wait.

Chairman Nazzaro: I think when the County Executive comes in, probably be best to hear what he has learned. I appreciate obviously Todd, your honesty on this. Again, I was with you when I expected to see the ten to twelve and I go hey, I don't expect the stock market to keep going like it is either. It's hard to explain a lot of these things.

Legislator Niebel: Unemployment is going down too.

Chairman Nazzaro: O.k., the other things that we have today is, we have Brad and we're going to listen to the County Executive, the sales tax obviously. I had asked for some information on health insurance. Since you are right there, I just want to understand a little better as we went through the departmental budgets, some areas we saw where benefits went down, other, especially in the larger departments and I understand that benefits went up. I know that you talked to Kitty about the 7% medical premium increase. Obviously people change their elections. The question that I just had is trying to estimate because the information that Kathleen gave us on the wages, the effect of the collective bargaining increases in the 2021 budget compared to 2020 was like \$5 million dollars.

Mrs. Dennison: Four million for the wages and one and a half for benefits.

Chairman Nazzaro: Right but when you add the two together it's like over \$5 million, so that was a huge number and I just want to try and get a handle on what was offset through health insurance savings?

Ms. Crow: As you just pointed out, a lot of things that impact the health insurance so it is kind of always difficult to boil it down, so to speak because there are many things that change year to year. People's elections change, the number of positions that we have changes. The 2020 to 2021 budget where some departments had a greater percentage of their employees already on the high deductible plan so year to year you would see an increase in those department budgets because they are already on the same plan. Some departments where they had a greater proportion of employees still on the PPO plan who are now all on the high deductible plan would see a greater reduction in their health insurance because of that. So there are many factors, department to department so you can't really look at each department on its own and so what I have put together here is an aggregate picture so that you can see in total what's happening. Also keep in mind in the "M" fund, the "M" fund is designed, just like the CS, the Liability, and the Worker's Comp fund, that fund is just balancing the ins and outs. So it's going to balance to zero. To see really what is reduced in the "M" fund, you would just look at the appropriations because the revenues are always going to be there to offset whatever is set as an appropriation. So, as you may recall, the "M" fund itself appropriations were going down about \$700 and some thousand dollars. This gives you kind of a historical picture starting at the top box where our projections were at the time we were doing the 2020 budget. So after we adopted the 2020 budget, you can see what was projected out for 2021 and on. Then when we presented the CSEA contract in November of last year, that was what was presented as what our projections would be based on adopting that contract. So for 2021 at that time we were projecting that the health insurance costs would be approximately \$19.3 million dollars. Based on our tentative budget, that number is greater, \$21,133,000. However the main difference is that the projected numbers assumed a 6% overall increase in our health plan costs. So the number below that is if our actual health insurance plan costs were today, 6% overall increase, our costs would be \$19.33 million dollar which is just a little below what was projected as of last year. However, our blended health insurance plan increase from 20' is closer to a 14% increase mainly driven by our pharmacy costs.

Chairman Nazzaro: So the \$19,333,000 –

Ms. Crow: Yes, I recalculated my current model for what we used to budget the health insurance costs in our budget today and I recalculated as if our overall blended rate increase was only 6% to make it apples to apples to what we were using last year when we were proposing the contract. That is to give you a comparison to that we projected last year and a comparison to what is in the tentative budget.

Chairman Nazzaro: So what you are projected was, o.k., the \$19,365,000?

Ms. Crow: The \$19,365,000 is what was delivered to the Legislature last November when we – when Jessica and I were here presenting what we projected the cost to be for 2021 for health insurance. If you pulled out your 5 year projection – you know, that handout that we gave, that's what it reflected. Nothing had changed from then until now if we actually ended up with – which is still a normal – that's what our actuaries are using 6% when they cost out our GASB 75 post employment benefit liability. They are using 6% for the out years. I will talk more about why our percent increase is greater than that.

Chairman Nazzaro: So your projections what you're showing here is that the projections you gave us at the time we were looking at the collective bargaining, when you adjust it, are very close.

Ms. Crow: Yes.

Chairman Nazzaro: Again, I'm not proposing any amendments here or anything. I just wanted to have a better understanding what the savings were as the result of going to the high deductible.

Ms. Crow: The middle box there shows the census that is used to calculate the budget each year because I have to kind of take from calculating the cost in the "M" fund you take the point and time census which is essentially just about what is used when we initialize the budget but I also use the same, roughly, June census each year which you could argue is about the same number of filled positions at any given time during the year so I feel it's a good way to do it. So, you can see when I used the 2020 budget, the total insured was 916 and you can see the distribution of single family, 2 family, and family of 3. For 2021, there is 938 covered individuals. As you may recall the 2020 budget included an additional roughly 14 FTE's in the 2020 budget. So that's also going to increase the costs. Then you can see too that we've had a –

Legislator Niebel: This next category Kitty, should that be opted-out?

Ms. Crow: Yea, I'm not there yet. So like I'm saying, going from 916 to 938 covered people would also increase the total cost that is in the budget for health insurance because you have that many more positions. Then the opted out section there, you can see that and this is just a side thing that I noticed when I was doing this that we actually had an increase in our opted outs which is good because when people opted out, it actually saves us money because what we pay them to opted out is much –

Unknown Speaker: It's a dropped out rate, Kitty?

Ms. Crow: I believe we're at 25% of what the plan cost is. So we save 75% of what we would have otherwise paid. So, I was glad to see that we actually did have an increase in opted out because the risk in increasing the amount is always that you might just get the same number of opted out and then you are just paying more.

Chairman Nazzaro: And that's a year to year election?

Ms. Crow: This was June to June.

Chairman Nazzaro: The opted out? No, I just meant if you opted out in 2021 then you can opted back in in 2022.

Ms. Crow: Correct. Then the final box here below is just the total of all funds, budget to budget. So for health insurance, the 2020 budget was \$17 million, the 2021 is \$16.7 million so a reduction of \$391,000 across all funds. The retiree's surcharge that did increase \$115,000 and the retiree surcharge account includes all the costs associated with retiree benefits as well as some benefits that the County pays 100% of. Meaning there is no employee share for those benefits like the EAP. The employees don't pay a share of the cost of the EAP. Remember that our retiree cash out options went up \$200,000 so without that increase, you would have seen a decrease in the premiums even for retirees. Then the last one is the opted out. The opted out cost did go out again like I said, we did increase it. We're still doing better and then we had more people opted out. So that's kind of the high level year to year effects.

As far as the increase in the plan costs. What is driving that is mainly our pharmacy. This can get a little complicated so ask any questions as I go along. The best way to explain it is, as a reminder, we're self-funded for our pharmacy plan. So whatever the cost is, we're paying it. In total, whether the employee is on the PPO or on the high deductible plan, the County is still paying all the claims. We have been seeing an upward trend in our pharmacy costs and so we're projected to still have to pay roughly the same total dollars next year but now all of our people are on one plan, so the percentage increase for pharmacy for just - so now it's all on the high deductible because there is nothing spread to another plan so we're paying the same dollars but that - so you have to back into what the rates are going to be which makes it, for the pharmacy, it makes it look like a greater percent increase even though we're paying closer to the same dollars.

Chairman Nazzaro: So I guess at the end of the day, the dollar amount is not significantly changed for pharmacy?

Ms. Crow: Not significantly changed. I mean, it's changed some because we're still trending up a little bit just in our claims experience for pharmacy.

Chairman Nazzaro: Because I know I used to get a lot of information because I was on the Health Insurance committee and we have not met once this year. Obviously the COVID was a good part of that but, I know we used to go through, obviously it was blinded, what are the high costs drugs, what is - because the management of those pharmaceuticals is critical and we

always used to get some very good information in the Health Insurance committee on how that's being managed for the patient because a few high costs drugs can just – especially when you are self-funded, can shoot this way up and we do have an older workforce. I would be interested in seeing at some point some reports and I know that goes to Ben, right?

Ms. Crow: To Eric Bens. Because our Health Insurance plan is made up of our medical expense, we're self-funded for pharmacy, dental, and vision and there is a chiropractic benefit so you take the percent increase for each one of them and come up with a blended percent increase to develop the rates for single, family of 2 and a family of 3.

Chairman Nazzaro: Because of the COVID Kitty, I'm very familiar with Univera, they are a great company, but, is there a Medical Director on staff reaching out to members when they see the costs – I mean, when you get into prescriptions, we don't have to do that here today, you answered my questions for now but, just things for the future is, reaching out to the subscribers making sure that they are not wasting prescriptions that, many times there are overfills, many times there is high cost prescriptions, that whole gambit but that's more for Eric.

Ms. Crow: Yea, Eric can speak to that more and our broker as well. But yes, Univera does a lot of outreach with regard to pharmacy of even like chronic conditions and diagnosis to try and reach out to the member to -

Chairman Nazzaro: Does Eric report to you?

Ms. Crow: No, he reports to Jean, HR.

Chairman Nazzaro: O.k., then I'll reach directly to Eric and say can you send us some reports that we would normally receive during the committee meetings because we've lost track of this as a committee.

Ms. Crow: Yea, and we have changed brokers earlier this year as well. So North West is back with us and Roy Glosser has been diving into it – the other nuisance with the pharmacy plan is that with everyone going on the high deductible, we don't have a lot of – a full year's worth of how that impacts the deductible. The employee is responsible up to the deductible amount and then the plan pays 100%. So, we haven't had a long enough history to know how that – because if somebody has high cost prescriptions they are going to reach their deductible earlier in the year just from their pharmacy costs and then the plan kicks in. So, kind of projecting out the pharmacy is a little bit harder right now too until we have a little bit more history. Then we'll be a little bit more predictable. At the end of the day we know what our – because previously when they are on the PPO plan, Univera was paying, I should take that back. We are still self-insured but it was just transacted differently.

Chairman Nazzaro: They were processing, right?

Ms. Crow: Yea, they processed the claims.

Chairman Nazzaro: They are our third party administrator.

Ms. Crow: They processed the claims but we were still paying, but like I said, how it gets paid out has changed.

Mrs. Dennison: The County has to pay the pharmacy cost –

Ms. Crow: After the deductible is met.

Mrs. Dennison: After the deductible.

Ms. Crow: Well, they have to pay a co-pay, what the normal co-pay would be for that drug, whether its \$20 or \$50 and then the plan pays the rest after you reach the deductible. But up to the deductible, they have to pay 100% of the pharmacy costs. It's just hard to say how many people are going to use up their whole deductible. That is what we don't have a good history on.

Legislator Harmon: What is the actual deductible (*inaudible*)..

Ms. Crow: For single it's \$2,600 and we have a family of 2 and a family of 3 plan but they are the same deductible of \$5,200.

Chairman Nazzaro: Now in 2021, I mean, 2020, correct me, we were actually covering the deductible through an HSA, correct?

Ms. Crow: Correct. The 2020 contractual agreements for CSEA and CCSEA were that the County pay 100% of the deductible but for CSEA, it goes back to a calculated share of the deductible with not even new hires being 100% fully funded.

Chairman Nazzaro: So in 2021, I'm not sure if you just answered it or in 2021, are we still funding any of the deductibles?

Ms. Crow: We fund some of it but not 100%.

Chairman Nazzaro: What percentage?

Legislator Odell: It's part of a negotiated plan, right?

Chairman Nazzaro: Yes it is.

Ms. Crow: What the County is responsible for is 90% of the plan costs. The plan cost is defined as the premium plus the deductible.

Chairman Nazzaro: I appreciate you putting this together and as I said at the beginning, this is not an easy thing to dissect because there are so many moving parts but I will reach out as being one of the two, Legislator Hemmer, is the other Legislator on the Health Insurance Review committee and we used to meet quarterly. Our January meeting was cancelled for some reason, I can't remember but then the COVID hit. But I still think that we should be getting information

then I might not have had some of these questions but I do appreciate you doing this. Anything else for Kitty on this?

Chairman Chagnon: I have two questions and as much as I respect your expertise in this area, my questions are quite naive but Kitty, as I understood you to say, the increase for 2021 is approximately 14% and you said that it was mostly driven by pharmacy costs yet after that you said that our pharmacy cost dollars were basically the same. So, I'm confused out that.

Ms. Crow: It's hard to articulate. With a visual it's easier to see but the plan rates, o.k., so the rates themselves, when you take the medical, the pharmacy – the pharmacy costs were actually going up like 120% but blended with, like the rate themselves just for the pharmacy but you have to take the medical rate of 5%, the pharmacy rate, the dental and vision, those are actually going down, the administrative costs are going down, we have the pharmacy rebates impacting the total so when you add all those things together in terms of the premium rates, that blended out to a 14% compared to the single, family of two and family of three rates in 2020.

Chairman Chagnon: Right but the pharmacy dollars are the same?

Ms. Crow: The 2020 budget – I have to dive down for you but, that's the best way to say it in the big picture but I'm going to have to kind of provide a separate worksheet that show the effects of each.

Chairman Chagnon: My second naive question, in your handout, you have three boxes and the figure in your third box, I'm having trouble relating those with the figures in the first box.

Ms. Crow: Well the first box is what was projected at each of those time periods and up here, the top box is the "D", "A", "D" and "DM" funds. The bottom box is all funds so it includes the sewer districts and the landfill as well.

Chairman Chagnon: Thank you.

Legislator Niebel: Under opted out, if somebody opts out under the single plan, what do we pay them? Do you have any idea?

Mrs. Hansen: It varies by unions but like for managers as single opt out is \$2,249, same for CSEA 6300 which is the biggest and there are smaller unions that are 25% so that would be \$1,607.

Legislator Niebel: Jenelle, do you have it for a family of two or family of three plus?

Mrs. Hansen: A family of two for the 35% which is managers and 6300, opted out would be \$4,451. Family of three is \$7,018 and then the CCSEA and the CCSSA and DSAC, all of those, for two person it's \$3,179 and family three plus is \$5,013.

Ms. Crow: Remember, those are a percentage of the premium costs.

Legislator Harmon: You said 25% correct?

Chairman Nazzaro: Thirty five percent.

Mrs. Hansen: Thirty five for managers and CSEA 6300. The other three unions are 25%.

Legislator Niebel: From 2020 to 2021, we're projecting an increase of 23 as far as opting out?

Ms. Crow: Yes, when we do the budget, we import the actual people in the actual positions they're in and the actual health insurance election they have at the time.

Legislator Niebel: O.k, but we're projecting 23 more people will opted out from 20' to 21'?

Ms. Crow: From the time that the budget was developed in June 2020 to the time that we initialize the budget in - I mean, 2019 when we were doing the 2020 budget, to June 2020 when we're doing the 21' budget, that many more people were opting out at the time.

Legislator Niebel: O.k., not over a calendar year, just June to June.

Ms. Crow: Yes.

Legislator Niebel: How did we do for our projections 2019 to 2020?

Ms. Crow: Projections of what?

Legislator Niebel: Opted outs. The figure we used for the 2020 budget was 133 opted out, I'm just curious as to what we did in 2019?

Ms. Crow: This is what was used for me at the time of the - at the census at the time of the budget, this is just the census as of June 2019 and June 2020. So, that's a point and time of actual elections. Now, when we're developing the budget, if a department knows that someone is getting married or having a baby, they might change it in their individual budget to know what's going on with somebody. We don't know what a new hire is going to elect. When we have a vacancy, we budget that as a family of two plan and that person could come in and opted out.

Legislator Niebel: O.k., but, we're using 133 for the 2020 budget, that's the figure we're using?

Ms. Crow: That's was what the census was in June of last year. What was actually included in the budget, you would have to look at each individual department's budget to know how many opted outs they used to develop the 2020 budget. But in June of 2019, we had a 133 opted outs.

Legislator Niebel: So if we back that up a year, o.k., the year before this, do you know what we projected and what we actually had?

Ms. Crow: I don't have that information off the top of my head. I can easily develop a report to tell you how many opted outs we have on a monthly basis.

Legislator Niebel: I realize that it's tough to project these but I just wondered if there was anything that we could compare to see how close we are with our projects.

Ms. Crow: That's why I'm saying, these are projections here, these are actual elections. So in June of 2019, we actually had 130 people opting out and in June of this year, we actually had a 156 people opting out.

Legislator Niebel: Oh, o.k., those are actual figures.

Ms. Crow: Yes.

Legislator Odell: (*Cross talk*) new hires though, that's a good point, what they are budgeting in, they are assuming family of two or something like that, take the middle of the road approach, maybe plus or minus, that's fine.

Ms. Crow: Yes.

Legislator Harmon: If they opted out, as an employee they opted out of the insurance and they decide down the road, let's say 90 days after they have opted out, is there a waiting period or a time period that they can get back into the insurance program which would cost us more money?

Ms. Crow: Legally really they can only change their election if they have a qualifying event. So they just can't say, oh, I want to opt back in tomorrow. They have to of had a child, had a change in life, lost coverage elsewhere, so they just can't come on the plan during the year without a qualifying event but during open enrollment, they can annually change their election.

Chairman Nazzaro: Any other questions on health insurance? I think it was good that we heard this because it is a big number in our budget and a very difficult number to come up to and very fluid so thank you. The other thing I did want to talk about too was the management, the non-bargaining rate increases. Do you want to do that now or take a break?

Legislator Odell: Let's keep rolling.

Mr. Button: Chuck, could I just add another thought here?

Chairman Nazzaro: Sure.

Mr. Button: On the property tax situation, as you know I did another downgrade of \$800,000 for September but also in that memo that I sent out indicates that we have still a

potential another \$3 million dollars in potential exposure between now and December. Now, I don't believe we're going to taking that entire amount as a hit but I do believe that we're probably going to be looking at probably another adjustment of anywhere between a half a million and a million between now and the end of the year just on deferred property taxes as well. I'm concerned about what we're going to see as returned village and school taxes this year too which we're going to know here in another, well, villages next week and schools, first part of November which will all be relieved onto next year's bills. We have some serious issues in the short term on our property tax receivables. It's going to have a dramatic impact on our fund balance for the next year or two, I'm afraid. I will keep you all apprised on a month to month basis now as to where we are with that but I just want you to keep that in the back of your mind too that we're not out of the woods yet.

Chairman Nazzaro: It's actually been in the front of my mind. Thank you for sharing.

Ms. Crow: Along those lines, we did have, before you get to hear the discussion because I don't know if you want to do it now while Todd is still here but, we did talk about if there were any changes we needed to make to the budget for the tax sale next year and we did have a proposed amendment. It's not in the million dollar range.

Chairman Nazzaro: Was that on the interest piece or no?

Ms. Crow: Yea, it's in that net calculation.

Chairman Nazzaro: Sure, go ahead.

Mr. Button: Kitty, I'm going to have to do another dive into that too because it just occurred to me sitting here that part of the gain/loss that we're going to incur next year on the auction that we should have had this year, could very well be increased by about \$300,000 unfortunately. The reason for that is, back in 2018 and some of you may remember this and some of you may not, when the City of Dunkirk returned to us their unpaid City taxes, they also purged their books of all of their past due, outstanding, water bills to the tune of a half a million dollars. The last time I looked at that figure, we still had about \$300,000 of that on the books. Obviously those properties go to auction, we're not going to recoup that so that's going to be another increase. So, I'm going to have to go back and run a query and find out what we still have but I don't think it's significantly changed, So we're going to have to take that into account as well.

Chairman Nazzaro: So are you going to propose something now?

Ms. Crow: I still can. Because we'll have to add on one more additional year of taxes due at the time of the auction to the auction that we would have next June, that would pose an additional loss of about \$132,000 and then if we add \$300,000 to that, that would be proposing an adjustment to further – right now what is budgeted in account –

Chairman Nazzaro: We're under which tab?

Ms. Crow: We're under 1310.9999., under miscellaneous tab which is almost right under the – if you are looking at the detail behind the orange sheet there, it should be right in the beginning. It should be one of the first revenue accounts, R105.1000, (*inaudible*) property.

Legislator Odell: What number was that, sorry?

Ms. Crow: About a third of the way down the page, it's page one of seven under the miscellaneous details, it says other real property tax items as a category and the first revenue account is 1310.9999.R105.5000. Current budget is negative \$793,955.

Chairman Nazzaro: And negative is bad.

Ms. Crow: Correct. That would be increased by \$432,326.

Chairman Nazzaro: To the worse.

Ms. Crow: Correct.

Chairman Nazzaro: Geez, thank Kitty.

Ms. Crow: I was only going to propose a change of \$132,000 but Todd now added \$300,000 to that.

Chairman Nazzaro: Let me ask this question and Kitty, I think you have heard this. I mean, you probably knew about it but, you're hearing the number which I heard Todd say he had to validate so, once that number is validated, are you agreeing that these utility bills and things that we're not going to be able to get similar to what happened a few years ago.

Mr. Button: Right.

Chairman Nazzaro: Are these for Dunkirk too, or Jamestown? Where are they from?

Mr. Button: Dunkirk, it was the City of Dunkirk's water bills.

Legislator Odell: They could be from anywhere though, I assume.

Mr. Button: Yea, it could be other municipalities but this one situation that I'm talking about on the 2018 delinquents was Dunkirk's thing.

Chairman Chagnon: That's already occurred in 2018/2019.

Mr. Button: Well, in 2018, they landed on our books.

Chairman Chagnon: And we haven't addressed them since then is what you are saying?

Mr. Button: Nothing that you can do to address them other than hope that they get paid or the 2018 delinquents would have been the ones that we should have auctioned this year and didn't.

Chairman Nazzaro: We don't do a reserve method for this or anything?

Mr. Button: Well, I do have – I have been building a bad debt reserve on the books to the tune of \$100,000 a year but we're still nowhere near fully reserved for all of our issues which we can talk about that at another date too.

Chairman Nazzaro: Another cheery day.

Mr. Button: Yes. When it's over cast and raining, we'll sit down and have a cup of tea over that.

Chairman Nazzaro: So your number is \$132,000?

Ms. Crow: And that would be adding on one more additional year of additional interest that would be added on to –

Chairman Nazzaro: So \$132,000 in interest –

Ms. Crow: It's one additional year of taxes due at the time of the auction so now instead of having three years of taxes due, we're going to have four and we're more than likely not going to get a greater price next year.

Chairman Nazzaro: So you are talking about the 1% that we charge each month?

Ms. Crow: No, that's the interest and penalty calculation. This is like, normally when we go to auction and correct me if I'm wrong, there is three years of taxes due on that property. So if there was \$3,000 due, a \$1,000 each year for taxes, and we only get \$2,000 at the auction for it, we're going to have a loss of \$1,000. Well, now we're going to have one more year of taxes due so we're going to have \$4,000 and we're still probably only – we'd only get the same amount when we sell the property so we're still only going to get \$2,000 so now we're going to have a \$2,000 loss instead of a \$1,000 loss.

Legislator Odell: Just for clarification Todd. Say we're at the auction list and it says taxes owing on a certain parcel. Does that encumber not just the back taxes but also (*inaudible*) fees, water bills, (*cross talk*)...

Mr. Button: Yes, it includes all base taxes, interest and penalties. All total assessments.

Chairman Nazzaro: So what is the pleasure of the committee here? We have to get to motions eventually but, do we want –

Chairman Chagnon: Mr. Chairman, if I could ask a question. I understand what Kitty is saying, but, when I look at the 2021 tentative budget, it has \$794,000 on this line whereas in the 2020 adopted budget it was \$381.

Mr. Button: Because we didn't have an auction this year and now we're planning on two next year. Two delinquent years' worth of auctions.

Chairman Chagnon: Wouldn't that incorporate what Kitty is referring to?

Ms. Crow: I'll explain the change with this handout. The initial budget included a calculation of these two revenue line items. Let's start with the top boxes. The top boxes show you the actual loss on the sale, since 2016, the annual loss and then the interest and penalties collected each year. Then the boxes to the right, give you some averages. So the two year average for the two years that we have actual, 12 months of figures for, the two year average loss 18' and 19', the average loss is \$396,000. The average of interest and penalties collected is \$2.9 million dollars. Then the four year average for 2016 to 2019 is in the middle column and then the right column gives you the average if you are taking the 2019 actual and the 2020 projected which is kind of something that we can put aside because 2020 projected isn't really something we want to use for next year. So then down below, we have to calculate for two auctions. One we're going to hold in June and one we're potentially going to hold in September. So the June auction is the auction that we would have had this year so if you assume that the – so now what I've revised the calculation to assume is that, that \$396,000, I'm taking the two year average of the loss, plus I'm adding on 25% of that for an additional year. So, if you looked at my formula it would show the \$396,000 plus \$396,000 divided by 3 times 4, so I get one fourth of that. Then I'm additionally assuming we're going to continue to get additional interest through June of next year and I'm using the same trend as we're getting right now, June, July, and August of this year as what I'm going to project as the monthly interest and penalties we'll continue to collect all the way through June of next year when we do the sale., Then the similar calculation for the September auction. I'm going to assume we're going to get the same three years of loss, based on the two year average, and then I'm going to say we're going to get the normal amount of interest and penalties, plus a few more months because the auction isn't going to be held until September and now we're going to add \$300,000 for the additional loss when we got those Dunkirk properties.

Chairman Nazzaro: When we were talking about this before, interest is not recognized until you collect it, correct?

Mr. Button: Correct.

Chairman Nazzaro: The 5% penalty you recognize right away, you record it.

Mr. Button: Yes.

Chairman Nazzaro: So, the way the payments come in, when somebody buys property at auction, it's applied interest first, penalties, and then the taxes.

Mr. Button: Yea, in auction situation is a little bit different Chuck in that if a person bids \$2,000 on a property, it sold, but that \$2,000 then wipes out all the taxes, all the interest, and all the penalties that have been accrued on that property. In the accounting of that, we show all of the interest as being booked as revenue, we pay off the principal on the taxes and then the difference between all of that is the gain and loss. As I discussed the last time I was here, what I feel would be a best case scenario in an auction year for the types of properties that we typically sell, would be that our gain/loss figure would essentially match whatever interest was on those properties. Because that means the cash we received made us whole on the principal of the taxes, o.k. So, gain/loss, yes, it's a loss because we have that on our books but it offsets the interest that we (*cross talk*) at the same time as revenue.

Chairman Nazzaro: So in our 2021 tentative budget, I thought the answer was going to be yes to this, we projected more interest in our budget for properties, right?

Ms. Crow: Yea. What wasn't included in the 2021 budget is adding on one additional year of taxes owing. That's the \$132,000 I'm proposing adding.

Chairman Nazzaro: What's your feeling Kitty on the \$300,000 in the utility bills that haven't been shored up from 2018?

Mr. Button: They were sent back – yea, they were returned to us in 2018 and many of those bills represented multiple years' worth of unpaid water bills from the City. So it wasn't just \$300,000 of one years' unpaid. It was accounts that went back a decade sometimes where they had said they were going to try and work out payment plans and they never did and finally they just purged their books and we got it.

Chairman Nazzaro: So these are for 2018 and prior?

Mr. Button: Oh yes. It wasn't just one years' worth of unpaid water, it was multiple years. They scrubbed their books of all their trash and sent it to us. At the time, it was over \$500,000. Now some homeowners and citizens have paid those off but again, the last time I looked, we still had about \$300,000 worth of those wonderful charges on the County's books now.

Chairman Nazzaro: So this number is pretty much a hard number.

Mr. Button: Yes.

Chairman Nazzaro: I don't want to record anything that's not a hard number. What's the pleasure of the committee? These are big numbers, especially the one. Pierre, do you have anything that you want to add to this? No. Again, the goal here is to have a realistic budget. Obviously this is not like sales tax where we're projecting it. This sounds like this is definitely going to happen, is that correct?

Mr. Button: If we have the auction it's going to happen.

Chairman Nazzaro: But if we don't have the auction, it just continues to - it's not going to go away.

Mr. Button: It sits there. Someday it's going to go away but not to our benefit.

Legislator Odell: If you want to make a motion, I'll move it.

Chairman Nazzaro: I was going to ask if there is a motion because as Chair, I don't make the motion but I will vote on it. Are you making a motion?

Legislator Odell: Word it and I'll give you a so moved.

Chairman Nazzaro: Kitty or Kathleen, do you want to word it?

Mrs. Dennison: The other thing to consider too is that you're going to be deciding on a lot of these amendments, so do you want to make a motion for each one or do you want -

Chairman Nazzaro: Here is my feeling on this. Correct the things we know. We have our County Executive here, we're going to hear about sales tax, to me, I think we should solidify those ones that are hard numbers that we know. We have the County Executive here and we're going to hear about sales tax. To me, I think we should solidify those ones that are hard numbers. Like this and then at the end, when we discuss the dinosaur in the room, the sales tax. Normally you're right, we make one motion. I'd sort of like to piecemeal this one in.

Legislator Odell: Right. We already this adjustment in a motion from earlier so what is the corrective number -

Chairman Nazzaro: No, we have not -

Mrs. Dennison: No, we don't have it yet.

Chairman Nazzaro: This is an Audit & Control one, so, -

Legislator Niebel: I just want to ask a question of Todd. If we don't make a correction, this \$300,000 correction, suppose we just let it go. What would happen?

Mr. Button: We have the auction next year for this particular delinquent year and we sell those properties and then we're going to book that loss.

Legislator Niebel: And it will be more because we haven't adjusted for this \$300,000.

Mr. Button: Correct.

Legislator Niebel: Over time, this \$300,000 will be just - well, each year it will increase our losses -

Mr. Button: No, it's a one-time event depending on when we ultimately auction those properties. As I say, we should have done it this year but we didn't.

Chairman Nazzaro: Technically you could make that as a 2020 adjustment.

Ms. Crow: No, because we haven't sold those properties. (*cross talk*), regardless of what we budgeted, we will be recording that loss. If we don't budget for it –

Mr. Button: Well, strictly speaking, I could do an accrual for it this year as a potential bad debt and then when those properties hit the auction, we immediately (*inaudible*) that back against the bad debt reserve.

Chairman Nazzaro: There is an accounting way that you could do it this year.

Mr. Button: Yes.

Chairman Nazzaro: Actually, we could have put that in the 2020 budget. I mean, you had \$500,000 from 2018 and prior, and you cut to about \$200,000 is what I heard. So there is like \$300,000 left from these old water bills.

Legislator Niebel: They are just added to our bills as unpaid past bills, correct?

Mr. Button: Correct.

Legislator Niebel: So I don't know that we could do that Chuck.

Mrs. Dennison: This is unlikely but if those properties, I mean, if they were sold at auction for more than what is owed, that loss would be less.

Mr. Button: That isn't going to happen.

Chairman Nazzaro: Kitty, can you provide Legislator Odell with the numbers please.

Ms. Crow: So a proposed amendment would be to increase the revenue loss in account A.1310.9999.R105.1000 from \$793,955 to negative \$1,226,281.

Legislator Niebel: To get that figure did you add the \$132,000 that you had talked about?

Ms. Crow: Plus the \$300,000, yes.

Mrs. Dennison: So you are proposing more than the nine – a larger loss than nine twenty six?

Ms. Crow: Yes because I'm including the \$300,000 that has been discussed.

Legislator Odell: Mr. Chairman, I would like to make that motion.

Chairman Nazzaro: O.k., I have a motion on the floor from Legislator Odell to increase the loss of the tax acquired property by \$432,326. Do I have a second?

Legislator Harmon: I would like to second that motion.

Chairman Nazzaro: Any further discussion? Hearing none, all in favor?

Carried w/ Legislator Niebel voting "no". (4 to 1)

Mr. Button: I will go and confirm that number just to make sure what we actually still have but like I say, the last time I checked it was in that neighborhood.

Ms. Crow: Just don't come back and say it's more than that.

Chairman Nazzaro: Anything else from you Todd or Kitty? Obviously Kitty you are going to stay. Todd you are welcome to stay.

Mr. Button: I'm going to hang around for a little bit.

Chairman Nazzaro: Mr. Wendel, first we have to go over your Executive's budget. We have not done that and then I believe that you are going to give us some updates, especially on sales tax. I'm sure you know the drill. We go over the high level review of your budget.

County Executive Wendel: Basically one of the increases that we're going to see is the position for that Safety officer. I think as we talked about it before, this has been tried in many other administrations and hasn't gone through but I think right now amidst the COVID crisis and certain things that had happened throughout County government this year and incidence we've had throughout, I think this is and I've talked to Dennis at great length about this and Kitty as well, and really this is a budget savings in my opinion as we move forward. Getting somebody (*inaudible*), that does not – the idea is not to be mistaken with Emergency Services. This person would be in my office or their about and answering to my office but working in conjunction with Dennis Brooks exclusively as we move forward, along with all of our department heads and department (*inaudible*) reaching out also with DPF, reaching out with some of our high profile departments. By high profile I mean, those departments that have people out in the public actively and that's where our concern is for their safety. But also, not to mention, things here on campus. I think many of you are not here with exception of employees and we had a fire drill early in January and what do we do. Nobody knew what a fire drill occurred, why it started, an evacuation order was put over the loud speaker and there was some confusion. So, everybody was more than eager that day to make sure that the Safety position gets put into place. So that's really the changes that you see, the biggest change you will see in the Executive budget. Other than that, it's pretty simple. We made reductions where we could across the board. It's really all I have.

Chairman Chagnon: If I could, I'd like to speak in favor of the County Executive's recommendation to add a Safety Coordinator. This is something that I have been suggesting and encouraging since I became a Legislator based upon my past experience with overseeing safety

functions for my previous employer. I will give you an example, a very timely example that the South & Center Chautauqua Lake Sewer districts are extremely well run operation and Dennis Brooks needed to do an audit of one of the County facilities. So, we bought in an outside independent safety auditing firm who spent days at the operation reviewing all of the safety policies, procedures and practices, and brought to us a laundry list of improvements that should be made which the sewer district staff had been working on for months, and months, and months, now. This is the type of thing, these safety audits that we should be doing throughout the entire County operation. This is the type of thing that a Safety Coordinator should be coordinating and making sure that we make these improvements to our practices. I am 110% in favor of this position.

Chairman Nazzaro: Thank you. Anyone else to speak on that?

Legislator Niebel: Pierre, I agree with you. I guess my question is, would it be better to have this position in another department where we could potentially get State or Federal aid? Have we looked into that at all?

County Executive Wendel: We have - I don't know what kind of aid we would get. Sometimes those are usually - I don't know, we haven't looked into it.

Ms. Crow: This position has been discussed even before P.J. came on board, including several department heads. I recall that we might have asked that question before. I don't remember the specific answer but I don't think it was a position - because this position is not just going to work for say the Health Department where we might get aid. It's going to be looking at Countywide, making policies and doing audits among all the departments to ensure that they are complying with safety policies.

Legislator Niebel: They could still do that if they were in the Health Department or Emergency Management Services couldn't they? The job description could be whatever we make it up to be.

County Executive Wendel: It could be but the point of putting it under Emergency Services the idea would then be, it's not necessarily focused on one department, and I don't want it to be confused with Emergency Services because its focus is County operation. What we are doing on our campuses here and there is a lot of need. Will they work in concert with Emergency Services, certainly and Christine and her department. But I think all in all, there is a lot of departments that this person will be working with. That's the point. I think sometimes we get confused a little bit that, (*inaudible*) police officers, we're going to do active shooter training, no. I mean, there are a lot of other things. For example, we had an employee who had chest pains. What is the protocol? I'm an EMT, I was sitting up here in my office. I could have easily - in most places we have a response, the hospitals, we could have a code, medical team respond to room 134, room 333, and those types of things to where everyone else in the office, the buildings knows what is happening. Whether it's HRC, here, any of our other operations and it keeps people aware that there is something going on. There is three fire trucks out front, what are they doing here or we see an ambulance pulling up. I feel bad because I have a skill set that I

could have helped. Again, it's just how I am but I think that person will be utilized across the County.

Legislator Niebel: P.J., I don't disagree. I think the position is needed and I was just wondering if there was some way to offset the cost of it with State or Federal aid.

County Executive Wendel: I think it's been discussed. I think they looked into that. Dennis has looked extensively. I think we weren't able to find anything significant.

Ms. Crow: The other idea of having this in the County Executive's office that the position will have the authority of the County Executive's office to implement policy across the County and not be a position where they might be in one department as a department head trying to provide oversight to another department head. So this needs to really be, in my opinion, at the County Executive's office level because they are going to be directing departments Countywide on what is our safety policy and procedure.

Mrs. Dennison: Jenelle raised a good point too that this position would probably become part of the indirect cost allocation program so some of the expenses would be farmed out for lack of a better word to the enterprise funds.

Chairman Nazzaro: I was going to ask that Kathleen. Would this individual be going to the landfill, the different sewer districts, so, those are enterprise funds and that actually would be – and I'm not saying change the budget here because this is a new position but there will be some offset especially if they go to the enterprise funds.

Mrs. Dennison: Yes.

Chairman Nazzaro: So that cost should be less. I've very supportive of it when this came up before. The only issue I had at that time was it that it was not in the 2020 budget but now that you have presented it in your 2021 budget, I certainly agree with the need and will be supportive but I do want us to track, as you just said, Kathleen and Kitty, especially with the enterprise funds because that would reduce the cost in the general fund.

Mrs. Dennison: Adding it to the indirect cost plan, there is a lag involved before the benefits of that return to the general fund. Just an FYI. It's not going to help the 2021 budget.

Chairman Nazzaro: Yes, I'm not recommending a change here but when we say do the 2022, but if there was some situation that the Safety Coordinator spent, based on time allocations, 20% of their time at the landfill, then 20% of that cost should be allocated to the landfill. I mean, we don't know that yet but –

Ms. Crow: Yea, each of the components of the cost allocation plan have a specific methodology on how they are allocated. Whether its hours or number of purchase orders or number of credit card transactions, each component has its different methodology.

Chairman Nazzaro: Not to micromanage but time studies are a wonderful thing to do time studies and to allocate the cost to the proper area. I'm not as concerned about within the operations of the non-enterprise funds but I think doing time studies when they go out to sewer district or the landfill or any of those, a time study is important. If they spent "x" hours over there then that should be allocated. Other comments from the Committee.

Legislator Odell: Just backing up what Chairman Chagnon said earlier, yea, that's been common place in corporate life for a long time. I was surprised that we didn't have that. My only comment would be, just from perception out there, I'm going to add the word occupational in there somewhere so people understand it. It's not an EMS position or another Sheriff. Just from what we're hearing out there because it wasn't understood, so we call it occupational safety officer, something like that might make – not make more palatable as something we need but just more understanding without having to explain it.

County Executive Wendel: And to the point another reason why we didn't want to put it in one of those departments is because we don't want it mistaken that it's again, it is more of an occupational issue. It's not, to the point – I applaud the efforts of our law enforcement, our EMS but that is not what this job is. In OSHA, there is people that take degrees in industrial safety but that's what we're looking for. To the point, I hope the person isn't in the office much. I really want them out and there are places. I've said this before and Brad's here, we're not hiding anything, and we've had two near fatal and two fatal accidents this year in one department. That is a liability that we need to control, through no fault of their own mind you, but those practices need to be in place. One was completely beyond our control but, someone falling in a compactor. I mean, that's liability. That's money out of our pocket. We have insurance for that but those things – to me, as a person, I don't like to hear that, that people are getting hurt on our properties or in our operation. Our employees especially but more so the public. This should be safe wherever they are coming into a County operation. I appreciate the support, I think it's something that – as Chairman, this was something that I was in favor of as a Legislator. I think it's important that we move this into the new budget.

Chairman Nazzaro: This portion is the County Executive is here to present his budget for 2021. Is there any other questions for P.J. on his tentative 2021 budget? O.k., you are good there. I think we're going to have some other discussions since you are here, is one of them sales tax. It's been a hot topic.

County Executive Wendel: I will open up with information. I was very concerned to come back yesterday and see some of the changes that were made. Again, just point blank. One of the things we looked at, I spent time on Wednesday with Dave Lucus from NYSAC Finance Department of Inter-Governmental Affairs. If we look at the spreadsheet that we were all given, surprisingly, small counties are the ones who have benefited. Allegheny, Cayuga, Chautauqua, Delaware, please do not, I cannot figure out why the epicenter of COVID19 in New York State, Westchester County, has seen an increase in sales tax by \$51 million dollars. But, most everybody else has seen a decline. Twenty four out of 62 counties have seen an increase in their sales tax. Year to date, we are \$203035 ahead of our 2019 actual. So what we budgeted, we are ahead of. When I sat with Dave Lucus, as many departments, many counties are putting forth their budget, a lot of questions were raised in the paper that this is a reckless decision, careless

planning. To the contrary, I sat with Dave and he said, what did you budget for sales tax revenue. I said, flat. Most counties are presenting and I asked Kathleen to call and ask for some information, most counties are looking at a growth of 4% even after COVID they are still budgeting 4%. Again, we can say those are other counties, they are not Chautauqua County and likely so, I would stand by that argument as well. But when I said this, Dave said very, very conservative, the projection of a flat from 2019 to 2020 – from 2020 to 2021, as being flat is very conservative. We have had increases. It could be argued a lot of it is happening on line, we may not see the uptick potentially but we're also not seeing the tourism business we've had, if we have these events which quite possibly are going to be happening next year. The rodeo, the Lucy Fest, all of these activities. For example, if they are open, the Harbour Hotel is booked solid with weddings. That's sales tax, that's occupancy tax, our numbers are bound to go up. First quarter, Kitty, what we're we ahead in sales tax revenue in the first quarter, do you remember?

Ms. Crow: We were trending up about 4.4% compared to the prior year.

County Executive Wendel: Prior to COVID. So what will people do, we don't know. We don't know what is going to happen. The belief is, we need to capitalize – the Visitor's Bureau is doing this more regional vacations. I've talked with people from Essex County up in the north, they saw a boom in regional vacationing. It's something that Chautauqua County is known for. Again, I think once we start to open up the economy, I think we're going to see a very favorable sales tax revenue. Again, I think the numbers are here. As Dave said, you are looking at a 8 week shutdown of our economy and to be ahead, and again those – ahead, if we remember, we budgeted \$432,000 more in 2020 than we did in 2019. So, in essence, we're \$600,000 ahead of where we were in 2019. So I think, moderate. I wouldn't be jumping – in fact, Dave said with \$200,000, he would consider that flat as a .4% increase. I think that is better news than what we were facing two days ago when we were looking at a \$2 million dollar reduction, an increase in our tax rate of 22.5 cents. That's my position.

Chairman Nazzaro: Comments from the Committee on any of this? It is good news P.J. I think that report we got was a shocker to a lot of us, I'm not sure if it was to you but it was, I think everyone on this committee as well as the Finance group. We're still having discussions on this. I encouraged committees, as I have done in the past years if they have a recommendation from another committee, make it so then Audit & Control has an approved motion amendment that we can consider. That came out of Administrative Services at the time, the number seemed reasonable to me. There is so many unknowns in this. I mean, every time I hear one argument one way, then I will hear a discussion going the other way, it is a difficult number to come up with. So we're going to have here and this is just another step in the process of what that number should be. But definitely threw a curveball when we heard that number. People could go back with the COVID settles down, I don't think that it is going to go away in 2021, it may settle down, it could get worse, if people would start resuming old shopping patterns, traveling more, it also have the effect of people going outside the County too because they are going to Walden Gallery, they are going to Mill Creek, they are going elsewhere to shop and that sales tax stays in those counties. So it's a crap shoot. It really is the roll of the dice to a point but the other thing is, as you may of heard as we just had another motion, another amendment I should say, I think the department managers and yourself have put together an honest budget, a tight budget, but I think there is a lot of risk in this budget. Not due to your administration or anything but just due to

COVID and one of those is the property tax collections. That's huge. And grants, Raise the Age, FEMA, and things like this. We just have to be careful that next year – we're hovering around the 5% fund balance right now based on our projections and if these property taxes go uncollected and we have to write them down, that's going to be a direct hit to our fund balance. But I agree with you on sales tax. I looked at that report, yea, smaller counties are doing better and I think part of that could be because in the smaller counties, you don't have the shopping. You don't have anywhere to go and people are buying everything on line through Amazon or whoever.

County Executive Wendel: One of the things listening to Executive's across the State, we are fortunate and I'm not saying this, touting this anything other than sound economic decisions. We would not be in this position if we still had our County Home. There is no way. The cost incurred – they don't know what they are doing. There are counties that are borrowing money just to get through their budget right now. We made some very unique decisions with our Finance team. They weren't easy decisions (*inaudible*) even a furlough. Met with a lot of great questions with our employees but those decisions that were made then and made previously are what put us in this position. So yea, we'll make those hard decisions. I appreciate the efforts that we've had thus far. As was told to us, when you are given clay, you'll make a pot and that's the way that I look at this. I'm going to play the hand I'm dealt with. I think it's unique and one of the things they talk about and we all face this year in leadership is, we have to deal with what we have in front of us. These numbers, the budget wasn't rosy colored glasses, it was (*inaudible*) optimistic or very honest transparent person. Risk involved, yes. I think they were made on sound decisions and as we go through those tough decisions are going to be made as the budget is adopted. But, again, I think because of our sound decisions, we have done a good job listening to other counties and the problems they face. I will want to point out that I spoke at length, personally, engage with Joe Ralston from Three Plus One and cannot say enough about our Finance team and what they've accomplished. They are going to be getting a tremendous amount of publicity from NACO, which is a National Association of Counties. Gary Moore, their President was here and just could not stop raving about our Finance Department. Dave Lucas, obviously from NYSAC. NYSAC will be rolling out some more publicity so Joe Ralston just wanted me to convey to you all and to the Legislature he heard it but he was just so overwhelmingly impressed with what our Finance team has done and the achievements they've made. So, it may be a small trophy, I'm sure it's in your office, good. Rightfully so, that's where it should be but I think, to me, a lot of times of being involved in certain things, it's not the size but it's the effort that is put in that means the most. I personally want to say thank you to Kitty and Kathleen and Jenelle and everybody in that department for what they've done because it has, really, elevated Chautauqua County –

Mrs. Dennison: And Todd.

County Executive Wendel: And Todd, I'm sorry. The name has been on my mind for three days and now I elude it but everybody in the Finance Department, I just can't say enough. To be nationally recognized as the best County in this country is phenomenal. So, I thank you and thank you for your help with this budget and everybody that did help it's greatly appreciated.

Chairman Nazzaro: Well said Mr. Executive. I echo that and with being of the finance background and I know everyone here including our Chairman, certainly appreciate that. I know sometimes I may go more into the detail but I can't help myself. I just think again, the theme of this budget P.J. is and we worked together many years as a Legislator, you were on Audit & Control, the theme from day one was, and don't take this any other way is, I just want to make sure the numbers are as realistic as we can get. They are not going to be perfect. Many times they are estimates but when we do hear something that's a hard number, then, I feel that it should be in the budget. Sales tax is not one of them. That is up for discussion. So I appreciate all the hard work. O.k., going back to my committee. We're not going to make it out of here by noon but this is the day that we try and finalize this to the next step. The open items that I see is, I do want to discuss and I will go with the Committee, it's with the committee, it's not just one person, I do want to take about the non-bargaining increases that are in here. I think that is at least worthy of a discussion. Then I think we need to decide because what we have to have Kathleen and Jenelle do is take what we have, because we have that one big one we just got on the –

Mrs. Dennison: We can do that on the fly.

Chairman Nazzaro: What I would like you do to is do one version, once we talk about a couple of other things, for now, take that \$2 million dollars adjustment of sales tax out of there, it's not a motion yet, but just take it out of there and then we'll start looking at what we have of the hard numbers and then say, what are we going to do with the sales tax. Do we bring that \$2 million dollars forward, do we not, do we go to part of it, whatever. So you do want to break or do you want to talk about management?

Mrs. Dennison: As the County Executive mentioned, he asked Kitty and I to reach out to other counties and I do have that feedback on sales tax if you would like me to share that with the committee.

Chairman Nazzaro: Sure, absolutely.

Mrs. Dennison: Kind of before we leave the sales tax discussion. So we just contacted several people that we communicate with often. Wyoming County responded that they are budgeting the same in 2021 that we did in 2020. So their position was the same as what we have in the tentative budget. From Genesee County, the County Executive said that they are currently down 3.7% compared to 2019. I have budgeted 2.25% less than I budgeted for 2020. Allegheny County, we are budgeting a similar amount to what we received in 2019 because our 2020 is stable compared to 2019. So it sounds like they are in a similar position to Chautauqua County. She did add that they – so their budgeting essentially the same as 2019, but they are taking it down a little bit because of the (*inaudible*) payments and the distressed hospital amounts. Then from Chemung County, he said that they haven't finalized it yet but they are discussing 2% higher than our 2020 projected actual which is running 4% less than the 2019 actual. So netting that out, they would be budgeting 2% less than the 2019 actual. So, it's a little bit of a mixed bag but in general it looks like you people are kind of on the same page that the tentative budget is. Essentially budgeting something consistent with 2019. 2019 actuals, 2020 budgets.

Chairman Nazzaro: Good information, thank you. Since Brad is here still and Pierre, you are welcome to chime in on this. I know that you don't have a vote in this Committee but you are always welcome to give your opinion.

Let's talk about the road markings. We had a recommendation from Public Facilities to reduce it by \$100,000. My feeling being a member of Public Facilities, I still want to go with that recommendation, \$100,000 reduction because we're still providing a 50% increase over what we have provided in the past years and that would allow at least 75% of the roads to be marked which is certainly an improvement over half. So, I will open it up whether we want to keep that \$100,000 reduction and forward it on through or do you want to change it?

Legislator Gould: I want them to show me what they spend the \$300,000 then I would probably be agreeable to \$400,000 the year after. Show me.

Chairman Nazzaro: So Jay for, I think I'm hearing for 2021 though, you are going with the \$300,000.

Legislator Gould: Yes. That is only my personal feelings.

Legislator Odell: Looking through the budgets and obviously Public Facilities is not what I'm usually into but it did look like all the numbers were very transparent, even with Brad's numbers. I'm in favor of the full amount basically because the basic tenants of what we should be doing in government is public safety and infrastructure. That's a critical component of infrastructure. The rest of it is kind of not as much needed. But, just my thoughts.

Chairman Nazzaro: So your thought is, you could go with either the \$400,000 or the \$300,000.

Legislator Harmon: I'm leaning towards the \$300,000 figure. I have all the confidence in the world that if – I know that Brad's guys can get everything done, if they need to get everything done but I think with this year's budget, I think we need to be a little more conservative and I'd rather go with the \$300,000 which is a 50% increase from last year so I agree with you Chuck on that one.

Legislator Niebel: We've talked about reducing of \$200,000 from \$400,000 to the \$200,000. The \$100,000 is \$100,000 more than the \$200,000 of course. I guess I can live with the \$300,000 Brad. I mean, if you can, like Jay said, if you can do the \$300,000 this year and then we'll take a look at next year but it is a real tight budget. We have to make cuts where we can. This is little bit more than what we were talking about the other day so I think we're meeting you part way anyway. So, I can live with the \$300,000.

Chairman Nazzaro: The consensus is, I'm not hearing - Legislator Odell is more for the \$400,000 which is fine.

Legislator Odell: Yes, but I would go with \$300,000. I just wanted to make that noted.

Chairman Nazzaro: I agree with what Terry said and what Jay said. 2022 is another year, let's get through 2021 first. We got to get through the rest of 2020, then 2021, so, I'm not hearing any recommendation to change so that will carry forward.

Legislator Niebel: If it wasn't such a tough year Chuck, I'd be going with \$400,000 but it is what it is.

Chairman Nazzaro: The other item and I also look to our Chairman to put him on the spot a little bit, the FTE in the Administrative Department for Public Facilities. I'm mixed on this one. It's currently not filled. I understand the concerns. The Purchasing remained in Public Facilities. It never moved over to Finance, correct? I mean, you had two FTE's they took out.

Ms. Crow: Correct but position that was previously included under DPF, as you may recall, has already been, last year or even may be – I remember just last year's, the DPF budget was reduced and Finance's budget was increased and the individual in that position is now under the Department of Finance. So it's a transfer of budgets. With respect to the position that he is requesting, I will speak in support of it because that directly impacts our payroll processing and the processing of payroll in DPF can be a bottleneck in terms of when we are processing their payroll weekly. Additionally it's my understanding that software maintenance costs have been reduced because as you know, aside from what DPF – because they are not going to be maintaining the previous system that they were managing their payroll on, I would hate to see that become a greater bottleneck going forward if they didn't have sufficient staff to process the payroll.

Chairman Nazzaro: I think you made a good point that the purchasing individual was already allocated to Finance, correct?

Ms. Crow: Yes.

Chairman Nazzaro: Pierre, anything you want to add, sir?

Chairman Chagnon: Looking at this in total, I agree with what Kitty just said. I fully support the additional one FTE, it's the .67 FTE that I believe, in my mind, is in question. So what I would suggest is, take half a FTE out of the suggested increase of 1.67. That's just for conversation.

Ms. Crow: Was there a part time position budgeted?

Mrs. Dennison: You're asking how that would –

Chairman Nazzaro: How would that happen?

Mrs. Dennison: Yea, what would it be?

Mr. Bentley: Obviously a person is not a half a person unless you had to hire a part time person.

Mrs. Dennison: Feel free to speak up Jenelle, if you have input.

Mrs. Hansen statement inaudible.

Chairman Nazzaro: You mean the new position?

Mrs. Hansen: Correct.

Ms. Crow: Is the work of that person is almost daily in terms of tracking hours, isn't it?

Mr. Bentley: Yes. Again, I was having a Grade 20 person working at least 4 hours, sometimes the entire day and Kitty can attest to this, we held up payroll multiple times this year because of issues, really to the software and even when we went to the manual entry.

Legislator Odell: I got to observe for years, Sam Zafuto, not kidding is fully out of the airport business, was promoted and still doing lower level work to spite the promotion.

Chairman Nazzaro: I think to Pierre's point though, looking at the FTE count, we have a 1.67 –

Ms. Crow: Are the other changes due to changes in allocation?

Mr. Bentley: Yes.

Chairman Nazzaro: So actually you brought her back from the landfill back to administration. So that is what's causing this .67 increase.

Mr. Bentley: It's not all of it. It's part there – again, as Pierre and I talked earlier this morning, there is a lot of allocations in the DPF budget and last year I got rid of a bunch but the ones that remained, were the ones that were logical. It was landfill and whatever else I – it's on the sheet there. There is landfill –

Legislator Harmon: How many hours a week would you say the person works to do what she needs to do?

Mr. Bentley: She's partial full time, right, so 30.

Legislator Harmon: She's was 30 hours for you directly then is what she does?

Mr. Bentley: In 2020, she's allocated 60% of those 30 hours to the landfill. In 2021, I'm proposing her to come back fully to the highway department or to the admin staff, sorry. So whatever she's –

Mrs. Dennison: In 2020, she's a .3 FTE in Brad's department and in 2021, she's a .75 in Brad's department.

Chairman Nazzaro: So why am I seeing that big of an increase in a FTE then? There is another piece to this puzzle.

Mr. Bentley: Its landfill, engineers and whatever admin –

Mrs. Dennison: So .45 of the increase is due to Judy being 100% in DPF administration.

Mr. Bentley: So, I have another employee, Katina, went to 100% to admin from the landfill as well but she was only partially allocated. Sam what was the percentage that she was before?

Mrs. Hansen: Currently for 2020 she is 78% in admin and 20% at the landfill.

Mr. Bentley: She was also helping out with processing bills and invoices for 2020. Until Pantelis got up and running with (*inaudible*) my staff at the end was significantly helping out. So those allocations in 2020 were appropriate and I felt valid so I left them in. With Pantelis being more self-sufficient this year, I could bring those two back. Again, those people that are coming back, those hours that are coming back, if you will. I'm looking at centralized purchasing and payroll and all that, and I'm seeing an increase need for 2021 to just perform their regular day to day functions. Payroll is a big one, paying our bills are a big one and paying them right. As we all know what happens when we get off center from our invoices, we have a hard time controlling our costs because we don't know what they are and then when we get audited, we need to make sure that we pass all the audits. All that paperwork, we get a ton of paperwork. It takes people to do that work. Jenelle can attest to that as far as how much we process. As much as the Finance Department gets all the (*inaudible*) out, jump onto that because I know that Jenelle reviews a lot and catches a lot.

Mrs. Dennison: Just to summarize, the .67 is part of Judy Darlings position and part of the senior account clerk's position both of which were previous .67, previously resided in the landfill.

Mr. Bentley: I think there was an engineer change in there too.

Chairman Nazzaro: We heard from Kitty, she supports this. We've heard from our Chairman and myself that it is an increase so what we have before, so we just leave it alone as is, remove it or make it partial, what is it?

Mrs. Dennison: Another option might be – the partial full time position that's .75, possibly increase that to a full time position, 40 hours and not do the clerk –

Mr. Bentley: I asked her if she wanted full time and she doesn't.

Chairman Nazzaro: Does anyone have any preference here?

Legislator Niebel: So what are the grades that we're talking about? Senior Account Clerk and Clerk?

Mr. Bentley: So the position that I'm looking to add is a Grade 4, Account Clerk II. Again, the total cost to the budget of this position including benefits, including fringe, is \$54,950.

Mrs. Dennison: And then offset by the savings in the software.

Mr. Bentley: Offset by \$30,000 of a software elimination and I don't get the benefit of this but the County does, the AS400 system that Mr. Jon DeAngelo maintains, is also going to save on that end too. The \$30,000 is a recurring charge, it's not just a onetime software charge.

Legislator Niebel: So the duties and the functions of this Grade 4 that you would like to bring back and currently being handled by a Grade 20, administrative person?

Mr. Bentley: Throughout this year or the first half of the year, that is correct. I've been having Judy help Sam because I felt that it was inappropriate to have a Grade 20 continue to do that.

Legislator Niebel: I would say.

Mr. Bentley: So, I'm trying to adjust to this and when I did the budget, as a matter of fact, I reached out to HR to ask if I could do this earlier, but, unfortunately we couldn't get refunded the \$30,000 so there wasn't a whole lot of opportunity to propose it now. So I threw it into the budget hoping that –

Chairman Nazzaro: I'm going to try and keep this moving here. Not to interrupt but I guess I just did but my feeling on this, Brad had spoken earlier that he would only fill it if it was truly needed. Things have been working well now. I don't like the 1.67 increase or the .67 but, I'm comfortable just leaving it alone and put my faith in Brad that he will only fill the position if it's needed. I understand the reason. We want to have accuracy in our purchasing and in our payroll. That could have a cost disadvantage if we don't fill it so I'm comfortable to move onto the next topic unless somebody wants to make a motion. I just wanted to wrap it up Brad because we have other things.

We'll do this last one and then take a break. So we left the \$100,000 out but the one thing that we didn't talk about was the management salary increases and you all received an email from Kathleen on Thursday, last night, at 7:35. I asked for the history and I just want to preference, the managers, as with all employees work very hard for the County. My comments certainly don't discredit that. It's been a very difficult year because of COVID, a lot of challenges, everyone stepped up and I thank them for that. Where I struggle a little bit is, as we're struggling with this budget and we're going to have to override the tax cap, the State comes out and says, the rate of inflation was 1 ½% and that's what's making it more challenging, the tax cap besides not having it to carry forward. So you see the history here. 2017 was 3%, 2018 was 3%, 2019 was 3%, last year was 2%, this year 3%. It's hard to put a number on this. Kathleen spelled out, keep in mind managers don't get step increases. Some managers may be at their cap, at their top and it's up to the manager's discretion or the supervisor's discretion whether or not on what they get. I believe.

Ms. Crow: Yes. The process is that the department heads make a recommendation on manager increases to the County Executive and then he would approve or deny those recommendations. If the County Executive himself makes a recommendations on increases for department heads. In the past several year's budgets, 2% was included as a cost of living, so to speak, with 1% of the 3% as a performance based increase. So that was the structure for many of the years that the history was provided.

Mrs. Dennison: I just want to add a note, Jenelle correctly pointed out that the CSEA raises, the 2019 in my email, that number is overstated. 2019 was the year that the CSEA 6300 union got the 50 cent increase and it was only for half a year. Now that 2.5% is, that's 50 cents as a percentage of \$20.00 an hour. Twenty dollars is not a scientific average of the wages. So that 2.5 probably should be, at most, 1.25 because it was only half a year. For a lot of people, 50 cents did not translate to be even a point in a quarter. Full disclosure on that one.

Legislator Odell: As we do the scenarios, maybe we can present it multiple ways. You can plug the numbers in in real time anyways, right? So let's say is going to mirror private sector, zero, one, one and a half, two, present four scenarios in there and see.

Chairman Nazzaro: You've heard in the private sector, we're not the private sector, I understand that but this is part of our tax levy that we pass onto the property owner. Cummings, they did 25% cuts in many positions. They restored them. There has been layoffs, people aren't coming back. We did the furloughs. We did not do any layoffs which is phenomenal. That was not our goal. We want to preserve our workforce. I just think in the year that we're going through all these budget challenges, we're budgeting up to 3% is too high. I want to be fair. Initially I was thinking we do something on the back end but, I'm not going to go there but I want to give you my thought real quick. That at the end of the year, we budget something and if Countywide, depending on our financial performance, you pay it out as a lump sum. You can do that. People do it in the private. It's an incentive to make sure you are meeting your budgetary goals and you look at it individually on each budget. Things that are under their control and granted there are certain things are not under their control. But that gets complicated. The tax cap is 1 1/2%, I mean that is what they are budgeting in. I don't want to nickel and dime it but I'm more comfortable with like 1 1/2%.

Legislator Odell: I agree.

Chairman Nazzaro: I'm not making a motion because I'm the Chair but that's –

Legislator Harmon: I'm in agreement with you on that.

Legislator Odell: Mr. Chair, I would make that motion for a management increase of 1.5%.

Legislator Harmon: I will second that motion.

Chairman Nazzaro: Now open up for discussion for the Legislators and Kitty, I'm not ignoring you, I just want to hear from the Legislators first.

Legislator Niebel: Chuck, how much does that save us then?

Chairman Nazzaro: That's going to be a hard number to calculate but it should be half of whatever is in here.

Mrs. Dennison: I would estimate it to be in the area of \$110,000 reduction but that's only the wages. There are associated fringe reductions as well.

Ms. Crow: And revenue reductions because some of those salaries are reimbursed.

Chairman Nazzaro: Right and Kitty did provide me and I appreciate that. I tried to go with the highlights of what you wrote me and that's right. Certain revenues like in Social Services but, that should not be the driving reason to give a higher rate.

Ms. Crow: I'm just saying in terms of if they are going to give you a number of savings, they have to incorporate what the net effect would be and might have to go back to the respective departments to get those revenue reduction that correspond.

Legislator Niebel: Because of reimbursement.

Ms. Crow: Technically speaking, your amendment, I believe, would be to reduce the .1 expense, because you can amend the total dollars of the budget. So you would be making a recommendation to reduce the budget by the equivalent of reducing what is in for a management salary changes but administratively speaking, once the budget is adopted, each department has to only work within what is there is their respective budget for wages in total.

Chairman Nazzaro: Makes sense. Terry, are you good.

Legislator Niebel: Yes.

Chairman Nazzaro: Jay?

Legislator Gould: One and a half sounds good.

Chairman Nazzaro: Again, that's what's being used for the tax cap.

Legislator Niebel: It's an inflation rate.

Chairman Nazzaro: O.k., we have a motion and a second, no further discussion, I believe. All in favor?

Unanimously Carried

Chairman Nazzaro: I know Kathleen, we vote on the whole package here but we'll still do that so I'm trying to think now, help me here, am I missing any –

Legislator Odell: Sales tax.

Chairman Nazzaro: Right but what I thought we would do is have Kathleen and Jenelle compile what this means without the sales tax. You might as well have her do this now. Since \$2 million is out there, we have to do one of the two million, one is a million –

Legislator Harmon: Terry was \$500,000, weren't you Terry?

Legislator Niebel: I was earlier but I'm o.k. with the no change. In other words restoring the \$2 million.

Chairman Nazzaro: Right, one will be restoring the \$2 million, one will be with the \$2 million since that was moved to this Committee by Administrative Services and then a million. Are we clear, Kathleen?

Mrs. Dennison: Yes.

Chairman Nazzaro: We're asking for three –

Mrs. Dennison: Three scenarios?

Chairman Nazzaro: One with all the other changes that came from the committees, including the two additional ones we made today.

Mrs. Dennison: And that one is already done. I have it in front of me now.

Chairman Nazzaro: O.k., and the other one was the management increase and the other one was tax acquired properties. So then you are going to have three scenarios. Then we'll go from there.

Mrs. Dennison: I'm sorry, the three scenarios would be, one is all of the amendments that have been proposed by the committees –

Chairman Nazzaro: Including the two million.

Mrs. Dennison: Yes.

Legislator Niebel: That was an increase?

Chairman Nazzaro: That was reducing sales tax revenues by \$2 million and the other one was reducing sales tax revenue from the tentative 21' budget by a million and then one was keeping it exactly the way it is, the sales tax.

Legislator Niebel: The two million to make it flat.

Chairman Nazzaro: Yea, we're doing one flat, one with the committee's recommendation and one with a million.

Legislator Gould: And what difference it makes on the taxes? We should have that figure right in with those.

Chairman Nazzaro: How long of a time do we want to take here? We're not pressuring, do you want to take a small break.

Mrs. Dennison: I can eat and do it in 30 minutes. O.k., just a caveat, what you asked, I will have it done in 2 minutes with the exception that I'm using an estimate on the management salary change because the management salary change, if we do that, that's going to affect every single department.

Chairman Nazzaro: I just want to know for the tax rate what it does.

Ms. Crow: It will change a penny if its \$78,000.

Chairman Nazzaro: O.k., we're going to take a lunch break.

Committee recessed at 12:02 and reconvened at 12:35 p.m.

Chairman Nazzaro: Alright, Kathleen handed us a packet and I'm going to have her go over that, the different scenarios that we have requested. So Kathleen, I'll open it up to you and then I will say, during the lunch break, Pierre and I talked and there might be a couple of other things for our consideration but let's go through what we have in front of us first.

Mrs. Dennison: Mr. Chairman, I do have a couple of other notes from the hearings that I wanted to proposed for your consideration. Some of the things that the two of you discussed.

So in the packet that you have, this is kind of a technical format but it shows the actual changes in each budget classification and/or revenue account that have been proposed by all of the committees. Each report is three pages long and there are three of them. So the first three pages end up showing the results with the sales tax reduction of \$2 million dollars. The second set is the sales tax reduction of a million dollars and then the third set is no change in the sales tax from the tentative budget. Probably what is most interesting to you is on the third page, in the center there is a block it says, tentative budget as amended and towards the bottom it says the rate increase or decrease from the prior year budget. So, the second to last line there is 2.207. That means that the changes in that first version, again, this is with the sales tax reduction of \$2 million, that would result in a tax rate increase of .21 cents from last year.

Chairman Nazzaro: Kathleen, I think it would be good just really quick, go through to make sure we did not miss any of the changes and then you only have to do that once because they are in all three scenarios except the sales tax.

Mrs. Dennison: Correct. So that's just too kind of show you what we're trying to achieve here and just one other note. On the third page, I guess as I say, two of the things to highlight, the

gray box in the center it says net adjustment to levy, \$2,016,000, that is the accumulative change from all of the amendments. So that would mean the tax levy in this first version would go up \$2 million dollars from the tentative budget. Then the last line on that page, it says over/under the levy limit. It's \$2,992,000 in version one. That is the, as the (*inaudible*) suggests, the amount that we would be proposed to exceed the tax cap. That is the over/all and then to go over the specifics, so on page one in the first block, is increase appropriation accounts. The first item is A.4322, the proposal was to increase Mental Hygiene Law contractual costs by \$100,000 due to the recent experience of our increase in costs for mental competency hearings. The second line is really just a memo, it would not be in the final amendment but I wanted to include it so you knew that it was taken care of, would be an increase in appropriations in Planning Watershed of \$10,000. That would be to increase the account for Soil & Water. In the decrease appropriation account, there is another item that decreases that same classification, Water & Soil contractual, by \$10,000 because it was agreed that we would decrease the budget for the Chautauqua Lake Alliance. Since those are both in the same classification it does not require a budget amendment but I just wanted to note it so that you would be aware that we'll be changing those two accounts within the contractual classification.

Chairman Nazzaro: With no amendment will be needed.

Mrs. Dennison: Correct so in the final amendment though, those two lines would not be included. So the next section is decrease appropriation accounts. These are, I was going to say they're in order by department number but not entirely. The first section, fund "A" department 1620, those are the changes associated with removing the temporary cleaners that were added with the intention that they would be reimbursed by FEMA. I'm sorry, the first four lines. There's personal services, employee benefits, that would be to remove 3 temporary cleaner positions and then there are changes to the contractual accounts for the North County Office Building and the DMV in Dunkirk. Those are to reduce by 75%, the amount that was put in the budget, or added to the budget for those departments specifically for additional cleaning related to COVID. Cleaning and disinfection related to COVID. So those first four lines you will see a commensurate reduction in revenue. Just to confirm, so that's \$64,050, you look at all four of them that is 75% of the expense that was included in the budget. So there are still, if we make this amendment, there would still be some funds in the budget for additional disinfection.

The next two lines, A.3110 personal services and employee benefits, those two items are to remove two deputies that were contracted out as School Resource Officers, so those are being removed. When we get to the revenue section you will also see a reduction in revenue but the reduction – so there is a reduction in revenue as well. The reduction in revenue is not the same as the reduction in expense because the department informed us that they had already removed revenue for one SRO so they only needed to remove revenue for one additional SRO and not two. So the reduction in expense is \$128,585, the reduction in revenue is \$79,109, so there is actually a favorable – that reflects favorably on the local share.

The next item D.5110, sub-department 3310, \$100,000 decrease in appropriation due to reducing the stripping materials. A.6129, State Training School, reduction in appropriations of \$237,250. That was presented by the Department of Health & Human Services because they now have one less child in custody and predicting that that will continue. We already talked about the Watershed Alliance, the decrease for the Alliance that will not be in the final amendment. Just offsets the increase to Soil & Water. Then there are some inter-fund transfer

adjustments that have to be made because of the other amendments. The stripping materials that is in the "D" fund which the "A" fund is funding part of that, so if there is less expense in the "D" fund the "A" fund transfer to the "D" fund also is less. Similar situation with the reserve for capital. Taking out the airport strategic study. We have to transfer less to the reserve for capital because we will not be funding that project. The last two items are a quick estimate of how much the budget would be reduced if the management salary increase is 1 ½% instead of 3%.

Chairman Nazzaro: I just want to comment on that. I just want to be clear too that this 1 ½%, I want this to be a policy change too. I know that Audit & Control doesn't set policy but we're reducing the expense by 1 ½% but I'm not sure if this needs to go – part of the resolution that will be brought, that this is the policy that we're giving up to 1 ½%. I mean, I don't want some individuals getting 3 some getting 2, because if you just reduce the expense by 1 ½%, that could be different for each employee. So it's up to 1 ½%.

Ms. Crow: You may have to ask the County Attorney (*inaudible*) enact a policy change.

Legislator Gould: Yea, it might be 3 in one department and 1 department in another department.

Chairman Nazzaro: And that is what I want to avoid.

Legislator Gould: So maybe it ought to go to Admin Services and have them do it across the board, Chuck.

Chairman Nazzaro: Yea, Kitty made - two points. Your point is a good one Jay, because Audit & Control as we know, does not set policy but that's the intent of this. Kitty just mentioned that we should probably get Steve's input on this. So, I just want to make sure that it is communicated to Administrative Services as well as to legal that the intent of this is beyond the savings is that we're again, we don't set the policy, the Legislature does so, but not this committee, that it's limited to 1 ½% per employee.

Ms. Crow: I think the question would be and maybe you can see if Steve is available now is if under the powers of the Legislature you can enact a line item position level change by amending the budget. Right now you are amending the total dollars that are appropriated. There might be some other action you would need to take if you really wanted to go through to enact a policy or authority to each specific manager position.

Chairman Chagnon: That's why it needs to go back to Administrative Services.

Chairman Nazzaro: Yea, so I guess what I'm asking or the committee is asking is that this also goes before Administrative Services. You can ask Steve if he's available.

Mrs. Dennison: I just sent him an email. But I just want to echo what Kitty is saying. Generally we've said that the budget is adopted at the classification level and so there is a set dollar amount for the .1's and that the department head has discretion to spend that money as he or she deems appropriate. The question has come up before with number of positions. We

stipulate a number of position in the budget but the number of positions in each department is not adopted by adopting the budget. The dollar amount is but not the number of positions.

Chairman Nazzaro: Well, I'm not even saying about the number of positions.

Mrs. Dennison: I'm just saying the department heads, they are giving the appropriation, they spend it how they want. So, if they wanted to give their managers a 5% increase and not fill a position, my understanding of the laws that they would be able to do that.

Chairman Nazzaro: Yea, and I'm not the policy maker on the legal side so – Steve is here. Did you hear this?

Mrs. Dennison: I didn't tell him what the question is, I just said you have a question and could he come to the Chambers.

Chairman Nazzaro: O.k., one of the amendments that we're making to the budget is, in the Executive's budget there is a 3% increase for management salary. We have recommended, at least in this committee, Audit & Control, to 1 ½% and then we started getting into policy discussions about, which is not Audit & Control, normally we just reduce the .1's by 1 ½% in this case, but, the understanding in the past that supervisors have the discretion to give, based on performance or whatever, their discretion they could give somebody 2%, they could give somebody 5% with the County Executive's approval as long as they stayed within their budget. There is talk here, can the policy be changed because we're in difficult times that we're saying is 1 ½%, that's it, per employee.

Mr. Abdella: Well, looking at the Charter, it does specifically state that it talks about the County Legislature shall fix the compensation of all officers and employees paid from County funds. But then it goes onto say, in the Executive branch, the County Legislature shall establish salary ranges and the appointing authority shall have discretion to set the actual salary within the range. So, I think the contemplation is that the Legislature, you appropriate the monies that are made available to the Executive branch. This actually also applies to the Sheriff, District Attorney, and County Clerk and you establish salary ranges. Then those Executive officers have the authority to set salary within those ranges and within the appropriations. So from a practical standpoint the Legislature can certainly assert pressure on how that is going to play out but as I think I overheard coming in, you have instances where it's not just about what is a manager going to get from a cost of living standpoint. There are other things going on as far as retention and a need to potentially promote someone or increase their compensation to keep them here. I think this is allowing for – it's more than just a matter of say, a cost of living view point on it. So I think really with this language, your authority is to adjust appropriations but I think I would question whether you could pass, given the existence of ranges by local law, this language in this Charter, you could pass a "policy" directing the Executive to not increase any managers salary by more than "x" percent. I mean, your tool is to adjust ranges or adjust appropriations.

Legislator Gould: Ours or Admin Services?

Mr. Abdella: Well, the Legislature as a whole.

Chairman Nazzaro: So we're setting the appropriations. Just a quick question, the .1's, if a particular department and maybe this is more for Finance, doesn't fill an FTE or has a vacancy, and he decides not to fill that FTE for whatever reason, we just did one, for example, we just gave Brad extra – we approved the additional FTE for Brad. I'm not picking on him but that's an example so if we chose not to fill that, can a department head then use that same amount of money since we appropriated so much to .1's for his department, and he could actually give somebody a 25% increase with the County Executive's approval?

Ms. Crow: Technically yes. They are operating within their appropriations.

Mrs. Dennison: Just to clarify. If that were to happen, any of those request, they come to me for comment before they go to the County Executive.

Chairman Nazzaro: And probably your comment is, yes, you are within your budget or no you are not.

Mrs. Dennison: Correct.

Chairman Nazzaro: O.k., that is not for this committee. We have our Chairman here, I don't know how he feels. I'm setting the budget recommendation.

Chairman Chagnon: I guess (*inaudible*) from what Steve said that the Legislature really doesn't have the ability to implement what your committee's intent was. The Committee's intent was to hold all manager increases to 1 ½%. We don't have the ability to do that. That's the way that I understood what Steve said so all we can deal with is the budget.

Chairman Nazzaro: What bothers me though Mr. Chairman is if, again, if you have a vacancy or you don't use all your over time, well, that's not .1 –

Mrs. Dennison: It is.

Chairman Nazzaro: Yea, it is .1, so if you don't use all your overtime or your over scheduled hours and you go boy, I have an extra \$100,000 in my department budget for .1's, I'm going to pass on 10% increases to everyone.

Ms. Crow: No department head and manager is maliciously doing that and manipulating their budget that way.

Chairman Nazzaro: I didn't say that.

Ms. Crow: We're just not doing that. That's not happening. I'm sorry, I feel strongly and that's almost like insulting me or any other managers that we might take advantage that way.

Chairman Nazzaro: Kitty, I'm not implying that at all and I'm sorry if it came off that way. I'm just –

Legislator Odell: Just proposing a stop gap measure.

Chairman Nazzaro: Kitty, I did not mean to insult anybody and it's certainly not my intent. It's just I'm putting out that what we're approving is not exactly what – we're approving the allocation for salaries with a reduction but according to the Charter and everything, this is not for this committee but, -

Mr. Abdella: I think as Kitty is saying, no one is acting in a vacuum.

Chairman Nazzaro: No.

Mr. Abdella: It's understood that the Legislature as you look at what you make for annual appropriations, are going to look at what is the FTE count in that department. What's going on with the salaries and that's absolutely within the bounds of legislative authority department by department to decide how much you think that department needs to staff itself. Whether technically or legally how far can the Legislature go, its concerns about the salary issue, beyond appropriation, I think you've certainly let your wishes known to the County Executive that along with making the 1 ½% appropriation limit, so to speak, Countywide, that your intention is to have salaries, if at all possible, held within that limit. Understanding there are some exceptional situations that happen.

Chairman Nazzaro: I understand and that's a good point Steve. Again, you get into retention, you get into private industry, competing for jobs, certain jobs there is a limited supply. Again, I think this is misunderstood. I've been on this Legislature for a long time that just because we approve this recommendation, it doesn't mean that everyone is just going to get up to a 1 ½%. It could be more, it could be none or whatever.

Legislator Niebel: We can suggest things as a policy but once we appropriate the funds, it's really up to the department head how to spend it. I don't think that any department head would deliberately take advantage of anything. They wouldn't do it but, the possibility is there that they could spend it anyway they want once it's appropriated by the Legislature.

Mrs. Dennison: As I say, with the caveat that most of these personnel changes like new hires, wage increases out of the norm, they are all reviewed and like I say, they go through a process with a review by me and the County Executive.

Legislator Niebel: They have to comply with our procedures –

Chairman Nazzaro: Since we're on this topic, every job has a step range I understand, are those approved by the Legislature because those come, so we do have that control. We don't micromanage to the point – you have how many steps in a normal –

Ms. Crow: There are no steps for managers. There are 9 steps in the CSEA contract.

Mr. Abdella: But I think what you are referring to is, there are 14 grade salary ranges and the positions are put in each of those ranges and all ranges are approved by the Legislature.

Chairman Nazzaro: Right so we do have that control, that decision, it has to go through us. I didn't mean to stir anything here. I just wanted to make sure everyone understood when you do this that, we're reducing the appropriations by 1 ½% to the .1's.

Mr. Abdella: Just one more thing, in that regard, what is often a hand in hand legislative piece that comes along after you adopt the budget is whether or not you are going to increase those management salary ranges to correspond to the appropriations. So, arguable logically in this case, you would probably be, if that were presented to you, you would only be approving an increase in that salary range of 1 ½%. I mean, you do have managers who are either at or near the top of that range and that's one other way that you're exercising some control over where that goes.

Chairman Nazzaro: O.k., great point. Thanks for coming down Steve.

Mrs. Dennison: So what is in these proposed amendments, I mean, this is literally a 5 minute estimate of the effect of asking for a 1.5% increase (*inaudible*) for managers. I did a quick estimate of the fringes associated with that and I also subtracted from the management schedule those that are in enterprise funds and also removed 65% of Social Services amounts and 100% of Mental Hygiene amounts because there would like be revenue reductions associated with those. So the estimate is approximately \$128,000 decrease in appropriations. This form does not include those revenue adjustments so that's a net figure there.

Page 2, increase and revenue accounts. We have a \$750.00 increase in the Sheriff's grant sub-department for his new revised Crackdown grant. Then A.1310.9999, it's in the increased revenue block because it is a revenue account but this is the loss on tax acquired properties so that revenue account is going to further decrease \$432,000 but I do have some late news from Mr. Button. He said that as of 12:16 today, the total unpaid City of Dunkirk water charges that would be included in the auction is now down to \$168,000.

Chairman Nazzaro: Oh, well that's a huge (*cross talk*)...

Mrs. Dennison: This figure includes \$300,000 loss associated with those properties so we may be able to make a favorable adjustment there.

Chairman Nazzaro: That's a huge swing from \$300,000 –

Mrs. Dennison: Yea, a \$132,000.

Chairman Nazzaro: Down to \$168,000. When those collections occurred because these are 2018 and prior, correct?

Mrs. Dennison: Yes.

Chairman Nazzaro: I mean, these unpaid water bills.

Chairman Chagnon: You said the \$300,000 figure was the last time you looked at it because it was originally five hundred and some thousand. So it could have been a year since he's looked at it. I don't know.

Mrs. Dennison: So, this figure is based on the \$300,000 but we may have to revise that. Then moving down to the last block, decrease revenue accounts. This includes a decrease in sales tax revenue of \$2 million dollars. Then the next three items are again, Buildings and Grounds, the \$64,000 associated with the reduction in cleaning costs. The \$79,000 reduction by removing the 6 SRO and then there is a change in the interfund transfer in the revenue in the "D" fund, there would be \$100,000 less coming over from the "A" fund.

The third page, there would also be a decrease in the use of the reserve for capital associated with the airport project. All those items add up to an increase in the levy of \$2,016,628 and it would be a tax rate of \$8.67 per thousand, an increase of 21 cents over the 2020 adopted budget.

Chairman Nazzaro: And if you took out that \$132,000, I never tried to calculate the levy but the rate would be about 1.7 cents on the rate? In other words, instead of having –

Mrs. Dennison: If we make the adjustment to the sales on tax acquired property \$132,000 less negative we would have an adjustment of \$300,326 and that would make the rate \$8.52 per thousand – no, I'm looking at the wrong scenario. So that would make an increase to the levy of \$1,884,000, the tax rate would be \$8.65, it would be an increase of .19 cents. Then the next two exhibits, so number two would be decreasing the sales tax revenue by a million dollars and then again if we change the sales tax on acquired property, that would result in an increase to the levy, from the tentative budget, addition to the levy of \$884,000. It would be a tax rate of \$8.52 that is an increase from the prior year of 6 cents. Then the third scenario keeping the sales tax as proposed in the tentative budget and that would result- all of the changes that we discussed would decrease the levy –

Legislator Niebel: Eight dollars and thirty nine cents.

Mrs. Dennison: Would decrease the levy \$115,000 and would result in a change from the prior year of negative 6 cents.

Chairman Nazzaro: So the rate would be \$8.-

Legislator Niebel: Eight thirty nine, I think.

Mrs. Dennison: The rate would be \$8.40. I should also let you know that there is more late breaking news. NYSAC just sent information on October sales tax at 12:53 today and it says, the final sales tax payment for October occurred today. For most counties, the second draw was lower than the same one last year. So, if you look at Chautauqua County, now our year to date sales tax through October, compared with last year, are down \$225,000 or down .4%.

Legislator Niebel: To \$1 million Kathleen, compared to 1.2 last year?

Mrs. Dennison: I'm sorry.

Legislator Niebel: So its \$1 million compared to \$1.2 million last year? For the same payment?

Ms. Crow: I'll look it up but we would expect it to be less than last year because following suit of the last two quarters, every payment up until the last one of the quarter when they make an adjustment for the whole quarter, has been down compared to last year. So, I'm not surprised at all that it came in less than last year's payment and then at the end of the fourth quarter, they are going to have another big adjustment. Like I said, it's not really going to tell us anything.

Chairman Nazzaro: So maybe we shouldn't even listen to it.

Ms. Crow: Yes, that would be my recommendation.

Chairman Nazzaro: Kathleen, you are like me, you just got the information, you want to share it and you did that but what do they say in the courtroom, disregard it. Strike it from the notes. O.k., so you've gone through the three sheets.

Legislator Odell: Could you summarize one more time for each of the scenarios what the rate is going to be?

Chairman Nazzaro: Sure and then I have a couple of things that I want to bring up.

Mrs. Dennison: So scenario one with the \$2 million reduction in sales tax and adjusting to the new information on the Dunkirk water late charges, that would result in a –so on the sheet that you have, it says tentative budget tax rate, amended, it says 8.666, that would be \$8.649 and the increase from the prior amount, instead of .207, it will be .19?? (*inaudible*) 19 cents. Scenario two, with the a million dollar sales tax decrease, on the sheet that you have it says the rate would be 8.539, it would be 8.522 and it would be an increase from the prior year budget of .064, 6.4 cents. Then scenario three, if the sales tax is left unchanged, your sheet says 8.412, it would be 8.396 would be the new tax rate and the change from the prior year would be negative .063 or down 6.3 cents. So, as I say (*inaudible*) in the tentative budget is a decrease of 5 cents.

Legislator Niebel: So Chuck, I think if we go back to that \$500,000 that we had talked about before, I think that will take us right back to the \$8.46, which is the same as last year.

Mrs. Dennison: You know what it would be the \$500,000?

Chairman Nazzaro: During the lunchbreak there was two or three things and to be honest with you – Legislator Chagnon brought these to my attention. So they are worthy of discussion. We'll start with the first one and I brought this up in committee regarding JCC. JCC is back under miscellaneous and we've had a lot of talks with JCC, we're very supportive of JCC and we came up with a – we established a floor with incentives in it if their enrollment went up. Pierre and I have been quite involved in this meeting with JCC. So the question here is, when we look

at the projected amount of \$4,576,000, the tentative budget is \$4,707,000 and the adopted budget is \$4,541,000 that represents an increase of \$166,000. I think it would be more prudent to roll that back. I think Legislator Chagnon agrees to roll that back to the 2020 projected. Am I saying that correct?

Chairman Chagnon: Yes.

Chairman Nazzaro: So in other words, that would reflect a savings because this is a moving target. There is a lot of thought going into these. The FTE's are unfortunately going down that we did have an upward trend then the COVID hit obviously. Even though we established a floor, that floor was based on FTE's rising, not going down. So they wanted protection so, I'm comfortable and Pierre can chime in, reducing it back to the 2020 projected.

Chairman Chagnon: Yes, Mr. Chairman. I think that that's a very reasonable thing to do. That's still would preserve the floor that JCC was seeking. It just would not anticipate any increases in their FTE's next year above the floor. They would have to increase their FTE's from where they currently are to get up to the floor which is of course, is going to be a challenge for them. But, this would preserve their floor that we have negotiated with them and we would certainly have an opportunity to review this as their 2020 enrollment picture starts to clarify. But I think for setting the 2021 budget, keeping it the same as the 2020 projected would result in a reduction from the tentative budget of \$131,000. I think that is the prudent thing to do.

Chairman Nazzaro: After Pierre brought that to my attention, which I appreciate, thank you, I agree with that being involved in these discussions. I think the key thing and Pierre said it more than once, we're preserving the floor. We're honoring that. So, looking to the committee, the recommendation and Kathleen can give us the exact amount if somebody wants to make the motion, would reduce what's in the tentative budget to bring it back to the 2020 projected. Its' roughly like \$131,000.

Legislator Harmon: I can make that motion Mr. Chairman.

Legislator Odell: Second.

Chairman Nazzaro: Kathleen, you have the number there, right?

Mrs. Dennison: Yes, so it would be a reduction in A.2490.4, contractual costs Jamestown Community College a reduction of \$130,895.

Chairman Nazzaro: What I am going to ask you to do when we're all done with these couple other items and anything else that somebody wants to bring forward, we'll decide a little bit on the sales tax – I don't want to do this three more times, try and get one final, one hearing.

Chairman Chagnon: You need to vote.

Chairman Nazzaro: Right, all those in favor?

Unanimously Carried

Chairman Nazzaro: The other thing and Pierre and I had a talk about this, in the 2020 budget we did have a vacancy credit roughly of \$630,000?

Mrs. Dennison: It was \$660,000.

Chairman Nazzaro: We have nothing in there in the 2021 budget. I will say that I have mixed feelings on vacancy credits because they are hard to measure sometimes. Did you meet that? So, because you have – we have a vacancy, sometimes we have to have overtime because you have a vacancy or do you go unscheduled hours. Do we have any idea how that faired out in 2020? I mean, we put that vacancy credit in there, did we need it, did we exceed it? Of course we have this COVID going on.

Mrs. Dennison: I'd say it's very blurry because of COVID. I would say, for example, in the District Attorney's department as he said he hasn't had any vacancies. I have not tested that but he has a smaller department, he's able to eyeball that in and know what the answer is. The other two departments were figured prominently in the Sheriff's operation, the Jail, DPF, and Social Services. This year is really impossible to tell because they had furloughs, we had a hiring freeze so there was more vacancies than normal. In general when we try to project where we are going to be at year end for wages and benefits, we're showing a savings, so that to me indicates that they were able to achieve their budgets that were reduced for the turnover savings. They were able to achieve it and do more in an unusual environment.

Chairman Nazzaro: I'm open to discussion on this. Again, I'm glad Kathleen clarified that it was not every department. It was the larger departments.

Ms. Crow: In this particular budget year I would argue that not including a vacancy savings would be recommended because there are so many things that are more unknown to us than usual. Anything where our budget is too tight, so to speak, and we don't have any wiggle room, any time that we would exceed that area, it would be a direct hit to our fund balance at the end of the year. I really wouldn't want to see our budget, like I said, too tight. We'd rather come in ahead of budget than under budget considering our fund balance. And we don't even know how we're going to end this year and what the adjustment to fund balance might be for this year.

Mrs. Dennison: One reason that we did not include it in the budget was that Kitty and the County Executive and I discussed this, is that, hiring decisions are pretty tightly controlled. Because as we're discussing, we talked about the management increases, if someone wants to refill a position, it has to go through HR, me, and the County Executive. So if they have a vacancy and we find that we are struggling budgetarily we can decline those requests to fill vacancies. So you we can monitor it even if it's not hard coded into their budget.

Chairman Nazzaro: O.k., thank you, Chairman Chagnon.

Chairman Chagnon: Thank you Mr. Chairman. In this discussion, in past years we have found ourselves in a situation where we had contracts that were under negotiation, when we were

adopting our budget. We didn't know at that point and time what the impact of those contracts was going to do to our .1's the following year. So, budgeting for no vacancies gave us a cushion to absorb the contract increases in the following year. I fully support that line of thinking in budgeting. As I understand it right now, we have no contracts that are under negotiation that will be increases next year that are not already incorporated in the 2021 tentative budget. So, I don't believe that that purpose is needed in the 2021 budget. I do agree with Kitty that there is a good deal of uncertainty in the 2021 budget. Personally, Pierre's perspective is, I would rather deal with that uncertainty in our budget for sales tax revenue, which is a big part of the uncertainty, rather than bury it in the .1's, by not budgeting for some vacancies.

Chairman Nazzaro: Your feeling is, as an individual Legislator, is that we should consider budgeting some vacancy credit?

Chairman Chagnon: Some vacancy credit. That's a good term – if we budgeted \$660,000 for 2020, I would suggest maybe half of that for 2021.

Chairman Nazzaro: And you brought up a good point. In 2021 again, we don't have any contracts coming up for negotiations. We know what our wages are, our increases. I'll open it up for discussion or questions. I know in my private life, some years we budgeted this, some years we didn't, depending on the individual circumstances at that time for that particular year. But I agree, if we did anything, half would be acceptable and not the full \$660,000. So I'll open it up to the committee for their thoughts or recommendations.

Legislator Gould: Half seems a little strong to me. I would be happier at \$200,000. A third, rather than half. It's only my personal opinion.

Ms. Crow: Some of the challenge becomes and I think last year we kind of picked a select group of departments to budget this in, but, that becomes another question you'll have to answer and that is, in which departments' budget's will you want to include the savings because some department may not have any vacancies, another department might have a lot of vacancies. So, which department head are you going to hold accountable for having vacancy savings?

Mrs. Dennison: Jenelle was saying that Social Services has already dropped their position county by 17. They have already kind of accounted for a vacancy amount, if you will. They've already not budgeted for anything that is vacant. That doesn't mean that some of the positions won't turn over, over time but they were one of the big departments that we put the vacancy budget in last year, they've already kind of come to the table with a pretty low budget.

Chairman Nazzaro: I guess the question is for me and I know I was provided this not too long ago but that was at current, how many open positions do we have right now that are budgeted? Because a vacancy credit – sometimes I know like when we were trying to recruit RN's and there is an RN shortage, you just can't get the staff. So, you have budgeted for certain positions but you are unable to recruit them and there is sometimes quite a time lag from the time you get it. So, to me, it should be based on open positions.

(Cross talk)

Mrs. Dennison: I do have an open position report and I would be remised if didn't add one more comment on behalf of Director Bentley because we had this conversation when we were working on the budget. He said, I think the turnover savings is kind of expecting to do your job poorly. And his point was that if he's managing his staff appropriately he envisions that there is going to be vacancies and he starts planning in advance to replace them. A lot of the vacancies tend to occur because the Social Services hiring process is long but his opinion would be that he shouldn't be penalized or given the excuse to have vacancies when if he plans appropriately he wouldn't have any or there would be minimal. So, I just want to add that but as I say, as far as the number of vacant positions, I have the report. It doesn't have a total on it. I would estimate that there is about 50. (*cross talk*) But that number includes – there is quite a few in the Sheriff, I see like the part-time seasonal, that looks a little bit odd so but as I say, those are the ones that are showing as vacant at this time.

Chairman Nazzaro: I could go either way on this. I'm sort of on the fence.

Mrs. Dennison: This also includes quite a few bus drivers just giving you a little perspective.

Chairman Nazzaro: I was going to say we have all those CART positions.

Mrs. Dennison: Quite a few in Mental Hygiene.

Ms. Crow: Those are all just point and time. They are not representative of a trend in that department.

(*Mrs. Hansen inaudible*)

Legislator Harmon: So if there is a reduction what do –

Chairman Nazzaro: It's up to the committee. Like I say, I'm sort of on the fence. If somebody wants to make a motion, we'll listen to it.

Legislator Gould: I will make a motion of \$220,000.

Chairman Nazzaro: O.k., we have a motion from Legislator Gould to budget a vacancy credit of \$220,000 for 2021.

Legislator Niebel: Second.

Chairman Nazzaro: Any additional discussion?

Ms. Crow: You still need to have a department that you are amending it to.

Legislator Niebel: Or departments.

Chairman Nazzaro: Correct.

Mrs. Dennison: The vacancy, the turnover savings in the 2020 budget as I mentioned during the hearings, we distributed it based on vacancies that were demonstrated in the prior completed year. So we could do the same thing. Look at 2019, each departments, what they spent as a percentage of their budget. That's how you did it Kitty, correct?

Chairman Nazzaro: I would follow the same methodology that you did, if this approved. I would follow the same methodology that you did previously.

Legislator Niebel: Kathleen, you mentioned there is a time lag in hiring in Social Services.

Mrs. Dennison: It's in civil service, if I said Social Services I'm misspoke. Just in general.

Legislator Niebel: Oh, I thought you said Social Services.

Ms. Crow: It's just because it takes so long but like she was indicating, Brad's point is, if you are managing properly, if somebody is leaving, you are trying to plan ahead to make sure that you have that position filled as soon as possible so that your operations won't be impacted.

Chairman Chagnon: Yes, but if a manager is doing as Brad indicates, his vacancies in the past would have been very small. So his vacancy credit in the next year's budget would be very small also. If he was doing a very poor job, his vacancies would be large and his vacancy credit next year would be large also.

Mrs. Dennison: Yes.

Chairman Nazzaro: As always, a great point. So we have a motion on the floor. Any further discussion before I call a vote. All in favor?

Unanimously Carried

Mrs. Dennison: That's \$220,000, correct?

Chairman Nazzaro: Yes. I know there are two other things. I think we all received a letter from Emily Reynolds from Cornell Cooperative regarding 4-H. I would be remiss if I didn't bring this to the committee and maybe somebody else was going to. They are taking a reduction of 17 ½%. Did everyone get this?

Legislator Niebel: Yes.

Chairman Nazzaro: She actually stating a very strong argument that she understands the situation that we're in, but saying that she can survive a 6% cut but a 17 ½% would jeopardize a lot of the programs and also getting to the State match, how that's calculated when you receive other funding. So the request from her would be to restore from what is in the tentative budget, now this is going the other way, \$32,000. So instead of a 17 ½% cut that would be a 6% cut. I'm

just bringing that up. I know we all feel strongly about 4-H. I know that we've had these discussions many times. So, I'll open that up to see what other Legislators feel and if anyone would like to make a motion or recommendation or not.

Legislator Niebel: Just for discussion, what about \$25,000 restoring? Not the whole \$32,000 but \$25,000. I assume that would help them.

Chairman Nazzaro: The total cut was \$32,000 –

Chairman Chagnon: No, the total cut was more than that. She was cut by 17 ½% and she's asking only to be cut by 6%.

Chairman Nazzaro: What was the total cut Pierre?

Chairman Chagnon: It's 11 ½% more than \$32,000.

Chairman Nazzaro: Kathleen, could you find that for us.

Mrs. Dennison: What's included in the budget, well, it was \$50,000 in the adopted budget. It was cut by \$8,750 in the amended budget so the budget is now \$41,250. If she is only cut by 6%, the cut would be \$3,300 and that would be adding back expense of \$5,450.

Chairman Nazzaro: Alright, I'm sort of lost for a moment. Where do we look in the book here?

Mrs. Dennison: (*Cross talk*) page 4 of 7. It's the second line on the page, it's part of account A.4620-CONC.4592. (*Inaudible*) contractual fund (*inaudible*). So that contractual fund agriculture account includes not only 4-H but also a couple of other contracts.

Chairman Nazzaro: So I think that we have to solidify what's in there for 4-H.

Mrs. Dennison: Kitty and I were approached by Greg Bacon from the Observer last week on this topic so I did some research on it. So, I'm going back to what I said to Mr. Bacon. It is what I just told you, they were scheduled to receive \$50,000, it was amended to \$41,250 and it remains at that in the 2021 budget.

Chairman Chagnon: Is Emily referring to her entire contractual fund agriculture which was reduced by \$67,432?

Mrs. Dennison: I thought that she was talking about 4-H.

Chairman Chagnon: She wasn't specifically referring to 4-H. 4-H is part of the implications.

Mrs. Dennison: That other (*inaudible*) account in general, the whole thing was cut by

17 ½%. I can tell you what else is in there. There are three contracts in there. So that account includes a contract with Cornell Cooperative Extension for improving ag industry, it includes 4-H and it includes a contract with Soil and Water. Currently all of those are reduced by 17 ½% in the 2021 budget.

Chairman Nazzaro: So 4-H is one of the programs.

(cross talk)

Chairman Chagnon: That's why it's only \$32,000 out of the \$67,000 reduction for that total- for those three contracts. She's asking for \$32,000 to be restored to the two contracts for Cooperative Extension.

Legislator Niebel: And 4-H?

Chairman Chagnon: 4-H and the agricultural support contract as well, the combination of those two.

Legislator Niebel: So if we restore \$25,000 that gets here almost there. Not quite.

Chairman Chagnon: Correct. What she's saying is, the 17 ½% cut would cripple the programs but she can survive a 6% cut so she's only asking to be restored to a 6% cut. She's not asking for all of it back, just to be restored to only a 6%.

Chairman Nazzaro: I'm trying to come up what the total cut was and my math doesn't seem to be working here. Because she's saying \$32,000 in her memo, would reduce my cut to 6% from the 17 ½%, so the total must have been almost three times that amount cut?

(Mrs. Hansen inaudible)

Chairman Nazzaro: No, what she is saying is, CCE, Cornell Cooperative Extension received a reduction from the County of 17 ½% from the County. She's saying that she could survive if the cut was 6% and she gave how she would do that. So, she would want an additional \$32,000 put back in.

Clerk Tampio: So the cut is only twenty six.

Chairman Nazzaro: O.k., so what the total cut fifty five?

Mrs. Dennison: The total cut is \$67,000 *(cross talk)*....

Chairman Chagnon: Part of that is Soil and Water.

Mrs. Dennison: Soil and Water is \$100,000.

Chairman Nazzaro: Out of the adopted budget, that ag line, it's \$100,000 for Soil and Water, \$50,000 for 4-H and \$235,328 for Cornell Cooperative Extension out of the adopted.

Legislator Niebel: So we could take \$100,000 out of that but what's it out of though?

Mrs. Dennison: So the cut to Cornell/Ag was \$41,182. It was \$8,750 to 4-H which is a total of \$49,935 and then \$17,500 for Soil & Water which is a total of \$ \$67,435.

Chairman Nazzaro: If the \$32,000 was added back, she would still have almost an \$18,000 cut. O.k, I think we're clear on the numbers now. So, we haven't made any motions or anything here but, the request from Emily Reynolds was to restore \$32,000. Terry mentioned \$25,000, open it up for discussion and it's up to you where we go from here. Does anyone want to make a motion to add back or are we going to leave the cut as was in the Executive's budget.

Legislator Odell: I will make a motion but I do have some comments. This is exactly what we wrestled with in Planning & Economic Development. We looked at, as directed by Chairman Chagnon, looking at prioritizations for departments and looking at what is mandated to what are our non-mandated public services are. Our mandated ones for PED include New York State Intermunicipal Law, O&M's, County Charter work, Ag & Markets Law, our local laws as they pertain to 2 and 3% occupancy tax. But the non-mandated public services is where this falls. That's (*inaudible*) made a decision to give everyone one an equal haircut. How are we going to tell the libraries and believe me, I support 4-H. I got tickets in the car for a chicken barbeque at 4:00 at Tractor Supply. But that was the purpose of keeping (*inaudible*). We would love to, - but in this (*inaudible*), winners and losers. It's the IDA, Soil and Water, the Fair Association, the County Library systems, Small Business Development Center, those are all funded on this. These are the ones that are getting the, as we proposed, the equal haircuts. Now the Committee can do what they decide but I'm going to stick to what my home committee decided in keeping it 17 ½% just to be fair and equitable. But, I will state whatever the decision of the committee is.

Chairman Nazzaro: This has been a very sensitive topic, especially 4-H and I know that there is more than 4-H here. So, I agree with Legislator Odell's points. What I would look at is restoring the 4-H funding. I mean, in there is, there is three different components of that cluster, I don't need to go into all the benefits of 4-H. Sometimes we have to go out of our comfort level and do what we think is right, so, I'm just throwing that out there for discussion. We got the letter here, we can restore 4-H which is just a piece of this. We'd have to calculate that number but again, it's open to any discussion. Just for past experience, this sometimes doesn't end here. We'll go right up to the full Legislature meeting and other things may too. So whatever the pleasure of the committee is.

Legislator Odell: And we've been down this road before. We had to make drastic cuts what, three or four years ago and we were able to restore it the following year.

Legislator Gould: In our budget, our overall County budget, we do very little for kids. A little bit in the Youth Bureau which has been cut and cut over the years so has 4-H and I feel that a 17% cut in their budget is excessive. I realized this is a tough year. I just feel we don't give the kids enough, I always have.

Chairman Nazzaro: So was the cut to 4-H, \$8,750? O.K., I just wanted to throw that number out.

Legislator Niebel: Not \$32,000?

Chairman Nazzaro: No. the other \$41,000 was to Cornell Extension itself. The cut to 4-H was \$8,750.

Legislator Niebel: Oh, o.k., then forget the \$25,000. I'm more interested in 4-H like Jay. So, I'm in favor of restoring something for the 4-H program but just the 4-H program.

Chairman Nazzaro: Are you making a motion Mr. Niebel or Mr. Gould?

Legislator Niebel: Are we still discussing this?

Chairman Nazzaro: Sure, we're still discussing and you can still discuss a motion. You could do this piecemeal, make one for one area, one for the other, or do them combined or don't do anything, whatever you want to do.

Legislator Gould: Give it all back.

Legislator Niebel: O.k, I'll make a motion to restore \$8,750 to 4-H.

Legislator Gould: I'll second that.

Chairman Nazzaro: The motion and second is to restore \$8,750 to 4-H. Any discussion on that particular motion? Seeing none, all those in favor?

Unanimously Carried

Chairman Nazzaro: Mr. Gould, you had an item you wanted to bring up that you mentioned during the break, under Finance, Real Property Tax.

Legislator Gould: I think that we ought to increase the tax fee from \$20 to \$30.00 like Mr. Button talked about the other day. That won't affect most people, just people that sell a house. It's been \$20 since it was first created and it's time that it should go up. It will help our budget tremendously this year, \$400,000, I think he said.

Chairman Nazzaro: It was \$40,000.

Legislator Gould Right, \$40,000. I think that is one way that we can get back some of this money we've been spending on the revenue side.

Chairman Nazzaro: What are these fees for?

Legislator Gould: Transfer of land or house or property.

Ms. Crow: When we have to do a search of transactions.

Chairman Nazzaro: Oh, it's for a search. Is it a title search?

Ms. Crow: No. It's like -

Mrs. Hansen (*inaudible*).

Ms. Crow: Yea, like if you are purchasing a home or something like that and they are figuring out where your -

Legislator Gould: Making sure there are no liens on the property.

Ms. Crow: What taxes are paid, what are owing?

Legislator Gould: Could be anything. A water bill, back taxes, anything.

Chairman Nazzaro: I see they have not been increased since 2012, so that's nine years. Do you want to make a motion and put a number around it? It would be somewhere between \$30 and \$40,000.

Legislator Gould: Thirty five.

Chairman Nazzaro: Legislator Gould is making a motion to increase departmental income -

Ms. Crow: In account A.1330.R123.00RP.

Legislator Niebel: The range of these fees are from \$20 to -

Ms. Crow: The current fee is \$20.00, the proposal would increase the fee to \$30.00.

Legislator Niebel: What's the maximum it could be?

Ms. Crow: I don't know.

Chairman Nazzaro: O.k., we do have a motion and to have discussion on it I need a second.

Legislator Harmon: Second.

Chairman Nazzaro: Now we will continue the discussion.

Chairman Chagnon: Mr. Chairman, if you put this into the budget then we will have to have an action by the legislature to enact this change but, putting it into the budget at this point is certainly fine if you anticipate it being successful getting it approved by the Legislature to enact the change.

Chairman Nazzaro: What committee would that go through, Administrative Services?

Legislator Gould: Yes.

Chairman Chagnon: Admin Services and Audit & Control.

Chairman Nazzaro: We have a motion and a second. Any additional discussion on this?

Legislator Niebel: I'd like to see it at \$25.00 not the whole \$30.00.

Chairman Nazzaro: O.k., we have vote on the motion first. All in favor? This is to raise it to add \$35,000 to the income based on the account that Kitty gave us to raise the fees from \$20.00 to \$30.00 for these searches.

Carried w/ Legislator Niebel voting "no".

Chairman Nazzaro: O.k., now, I looked over to Chairman Chagnon and said, "have I missed anything" and he shook his head, at the moment we haven't but Kathleen, do you have another sales tax update?

Mrs. Dennison: No.

Chairman Nazzaro: Or on this water bill thing?

Mrs. Dennison: No, we've had no breaking news. I better check.

Chairman Nazzaro: What would you like to say before we give you some direction here?

Mrs. Dennison: Well, I do have several questions on other possible adjustments. Questions that were raised during the hearings. One of them is the Conflict Administrator. Whether we wanted to change that from a position to a contractor?

Chairman Nazzaro: Oh yes, we had that discussion and I would say yes. You should save the fringe benefit costs.

Mrs. Dennison: Well, it's all – it would not have any local share effect because it's fully funded by a grant. It would just alleviate the need to amend the budget later if you get a contractor.

Chairman Chagnon: Sure.

Mrs. Dennison: O.k., so we'll put that in with no local share change. I'm going through these like, I'm doing increase appropriations first and then down the list. There are probably about 5 or 6 items and maybe they'll all be fast.

On the Mental Hygiene, the competency hearings, during the hearings, Director Brinkman was not here to ask her how much she thought it should be increased. The increase we

put in was \$100,000. I did communicate with here via email after the meeting and she said her best request for the budget would be \$200,000 instead of fifty so it would be an increase of one fifty instead of \$100,000.

Chairman Nazzaro: I'm looking back here. Does anyone want to change it or leave it as is?

Legislator Harmon: What's it at now, \$100,000?

Chairman Nazzaro: Originally in the budget we had \$50,000, well, the committee added \$100,000 to \$150,000 and now Pat Brinkman is saying at a minimum it should be \$200,000 based on what she is seeing. So it would be adding another \$50,000 to what we've already added so the total increase would be \$150,000.

Legislator Gould: No, leave it a \$100,000.

Chairman Nazzaro: No action.

Mrs. Dennison: There was some discussion about reducing the salt budget.

Chairman Nazzaro: Based on the information that we got we will, I'm not recommending any reduction at this time unless someone else does.

Legislator Odell: No.

Chairman Nazzaro: For the record, I think it's a little high but we'll move on. Did you hear that Brad?

Legislator Gould: Brad went to lunch.

Mrs. Dennison: The Department of Emergency Services approached us before the hearings and then it got overlooked during the hearings because we were all consumed with the fly car budget. The Department of Emergency Services is requesting a \$1,200 increase to their building lease expense because they found out after the tentative budget was created that their rent is going up so they would like a \$1,200 increase in department A.3010. contractual.

Chairman Nazzaro: So that is based on a fact. It's a hard number, so I would say you – we're going to vote on the total amendments now, so just load into all the scenarios, you agree. (*cross talk*). It is negligible but Kathleen is bringing it up. She's doing her job and doing it well. You too.

Mrs. Dennison: We also talked about in the Finance Department that the budget does not included any expense for issuance of bonds and we do have the potential to issue bonds for the \$2 million dollar for heavy equipment. So a question for Kitty and for you if you wanted to add some money for bond issues.

Ms. Crow: I think that it is hard to project right now exactly when bonds will be issued because we won't issue bonds solely for the equipment. I would likely be rolled into the borrowing for other capital projects. So it will be contingent on when all of those other capital projects would be completed. If you were to include something, assuming that sometime next year bonds would be issued, it would be approximately \$75,000 that I would add into the budget or you could consider amending the budget in the future if in fact the bonds are issued next year.

Chairman Nazzaro: I guess I'll go with my old accounting background. Is it reasonable, yes, is it probable that it would happen in 2021? Do you think we would go to bond in 2021? It depends on the completion of the projects, correct?

Ms. Crow: Yes, there were several projects in this year's budget that were slated to be – bonds were to be issued. I don't know right now today the status of all of those but, I'm going to guess that not all of them were completed this year and may or may not get completed next year. I don't know when the actual purchase of the equipment will happen next year. As you know, that type of equipment has several month lead time for delivery. So delivery, we don't know when that will take place, maybe later in next year.

Chairman Nazzaro: The accountant in me says, we should do something because it's reasonable, it's probable and we've approved the projects, we've approved bonding, it's just a matter of when. I have a number in my head but maybe – I want to see what Jay is going to say because we've been in the same wavelength here. Jay, do you have a number?

Legislator Gould: No, I'm leaving this one up to you Chuck.

Chairman Nazzaro: Well, maybe \$50,000. I'm not making that motion because I'm chairing the meeting but, we're going to go to bond at some point and not having anything in there when you've approved bonding is –

Legislator Odell: Irresponsible.

Chairman Nazzaro: Well, I don't like that – is not a match. You are saying, oh, we're going to bond but we're not going to have any issuance costs next year. We may not but also I heard there is other projects that hadn't been completed this year so eventually we're going to have bonding costs at some point.

Legislator Harmon: So the recommendation was seventy five?

Chairman Nazzaro: That's what Kitty said.

Legislator Gould: I will make the motion of \$75,000.

Legislator Odell: Second.

Chairman Nazzaro: We have a motion and a second for \$75,000 to add for bond issuance costs.

Ms. Crow: I'll have to get you the accounts afterwards.

Legislator Gould: That should be sufficient Kitty?

Ms. Crow: That is my rough estimate off the top of my head.

Legislator Gould: Well, that's usually right on.

Chairman Nazzaro: Any discussion? All in favor?

Unanimously Carried

Mrs. Dennison: The last proposed change and then I just have a couple of risk factors I want to identify. We talked about a new grant for lead remediation and Social Services advised me that they are getting - they expect to get the grant so they would like to add back and FTE in Public Health but it would be fully funded by Childhood Lead Poisoning Prevention Grant.

Chairman Nazzaro: So it's budget neutral. I can always accept a budget neutral item. Is the committee o.k. for her to add that? *(Committee agreed)*

Mrs. Dennison: O.k. The "D" fund, as we discussed during the revenue of the fund balances, right now the "D" fund has money in it because of pre-paid permit fees but we're expecting to utilize it so there is right now a fairly significant interest revenue for the "D" fund. But in general our expectation is that that money is not going to stay there for all of 2021. So, I'm a little bit concerned that the revenue is high in that one. I don't know if Kitty has any comment on whether or not we should adjust that interest revenue budget. The current budget is \$221,025.

Ms. Crow: If you give me a minute, I didn't know this was going to be discussed.

Mrs. Dennison: While Kitty is looking at that, we talked about, of course, Raise the Age revenue being at risk and also the Department of Motor Vehicles that if they continue to have to take reservations on line that their traffic would be down and they would not achieve the revenue budget that they had set.

Chairman Chagnon: I agree with those risk factors and as we talked about other risk factors as well, I think we just have to be aware of that. Do what we did in 2020, continue to monitor the budgets on a regular basis like we have done, continued to meet and if something glaring happens or something we need to do, we have to plan for that and adjust the 2021 spending plan. So we'll go back to what you brought up about interest.

Ms. Crow: The interest is based on the monthly ending cash balance so while they will have less, that won't mean that they won't have a running cash balance. If you want to reduce it \$50,000, I think that might be reasonable but I wouldn't do much more. I wouldn't assume it's going to be - I mean, it's not based on the fund balance, it's based on the cash balance.

Chairman Nazzaro: O.k., you need to bring me up to where this is now?

Mrs. Dennison: This would be in the “D” fund, behind tab 25, “D” fund, Public Facilities. It’s on page one of ten. I’m looking at the line item detail.

Legislator Harmon: What’s the title of that Kathleen?

Mrs. Dennison: Tab 25, either summary exhibit and then two tabs behind that would be the line item detail.

Chairman Nazzaro: Its interests and earnings?

Mrs. Dennison: Yes.

Chairman Nazzaro: Again, you’re saying it’s possibly high because –

Mrs. Dennison: Because they have a high cash balance now because we received permit fees and we’re doing the work – well some now but we received them at the end of 19’, so there was a big bump up in the cash balance but that is being spent down as we do the work on those roads. So it’s anticipated that their cash balance will significantly decrease from where it is today. As I say, Kitty does the budget but my understanding of the budget is it’s based on the cash balance remaining pretty much the same as it is.

Chairman Nazzaro: So how does this effect the general fund then?

Mrs. Dennison: We would reduce the revenue here, there would be a reduction in revenue and there would be an increase in – expense to the “A” fund, increase the transfer to the “D” fund.

Ms. Crow: So if we decrease this revenue, we’re increasing the levy by the same amount.

Mrs. Dennison: Yes.

Chairman Nazzaro: So it does have an effect on the levy.

Mrs. Dennison: It does because –

Ms. Crow: These are not the interest earnings that go to the capital reserve. These are the interesting earnings of the “D” fund.

Chairman Nazzaro: So you’re saying the money is being expended so the available balance to invest –

Ms. Crow: Yes because in this case, we received the revenue up front from the permit fees for the work that we are going to do over time in the future.

Chairman Nazzaro: So this as of period of time so what about permit fees that you receive in 2021?

Ms. Crow: These were for the wind farm projects. Permit fees for the wind farms so this is to reconstruct the roads after the construction.

Mrs. Dennison: Yes, it was a \$2.4 million dollar advance.

Chairman Nazzaro: Oh, so this is the permit fees for the wind farms. What is the pleasure for the committee? We can just tell her right now to add it because we're going to have this whole big monster list now.

Legislator Niebel: So Chuck, it does affect the levy or it doesn't?

Chairman Nazzaro: It does if you reduce it by, we heard a number of –

Legislator Niebel: Fifty thousand.

Chairman Nazzaro: Yes, but keep – what I have been doing, I guess I will call for a motion then because I want it on record that we're – we will have to approve the overall final version of what we're doing so the issue here again, now that I understand it is, the permit fees that were paid up front from the companies constructing the wind farms. We're going to have less money because we're expending this money so you're going to have less earnings. Kitty provided a number of \$50,000 so I will look to you gentleman. Again, this is one of those things we're being told is going to happen. Are you done with these now Kathleen?

Mrs. Dennison: Yes.

Legislator Odell: I will make that motion then Mr. Chairman.

Ms. Crow: (*Inaudible*)....

Mrs. Dennison: I was wrong. Kitty sent me a handful of changes to the "M", "MS", and "CS" funds but they do not affect the levy but they will need to be included in the amendments to the tentative budgets.

Legislator Harmon: I can second the motion on the floor.

Chairman Nazzaro: O.k., so we have a motion by Legislator Odell, seconded by Legislator Harmon to reduce interest and earnings D.5010.R240.1000 by \$50,000. That's the motion. Any discussion?

Mrs. Dennison: And to also included the associated changes in the interfund transfers.

Chairman Nazzaro: Which those have to effect on the tax levy.

Mrs. Dennison: Correct.

Chairman Nazzaro: This one does. All in favor?

Unanimously Carried

Chairman Nazzaro: O.k., here we are. To give Kathleen a moment here, we should wrap this up now and I think that you should rerun the scenarios Kathleen. First I was only going to have you do one scenario, maybe two but, actually, when you input all of this in, it's easy to do the three because you are only changing the sales tax. So let's take a 10 minute break and we'll come back and wrap this up.

(Committee then took a small break)

Chairman Nazzaro: O.k., so we're back from recess and back into session and what we have now is based on all the discussions we had, all of the amendments that we've discussed, we have again, the three scenarios and the differences in the three scenarios is one is reducing sales tax revenue by \$2 million compared to the Executive's budget, one reducing sales tax by \$1 million from what's in the Executive's budget and the other is keeping it flat as was presented to us. So, Kathleen –

Mrs. Dennison: The first three pages are the details of all of the changes. Would you like me to walk through those again?

Chairman Nazzaro: Walk through, if you can, the ones that we did after lunch. The updated ones.

Mrs. Dennison: The updated ones would be, in the first section, increase appropriation accounts, there is an increase of \$8,750 in the contractual appropriation for A.60420 COM and that is earmarked for funding for 4-H. In department A.3010, Emergency Services, there is an increase of \$1,200 which is due to the revised office lease that was received after the tentative budget was prepared. There will be an increase in the contractual for A.1162.1120. Conflict Administration, I did not put a dollar amount in here because it will be offset by a decrease in appropriations in personal services and employee benefits so it's a just a transfer of the expense from employee benefits and personal services to contractual. Then in A.1310, there will be an increase in contractual appropriations in the Finance Department due to the anticipated issue of bonds associated with the \$2 million dollars for heavy equipment that's in the capital budget. So those are the changes in appropriations in the increase section. In the decrease appropriations, we added the third line from the bottom, these were the new items. So decrease in the appropriations for Community College charge back, a decrease of \$130,895. There will be a decrease in appropriations for vacancy savings and at this time the departments effected by that have not been determined and that savings would affect both personal services and employee benefits. As I noted previously there will be a decrease in appropriations for the Conflict Administrator position.

In the increase revenue account section. There is an additional increase in revenue – let me start with line two. This is in the revenue account for A.1310.9999.R105.1000 is for sales tax

acquired property. That is a negative revenue account and the amount was changed to negative \$300,326.

Chairman Nazzaro: Right because now the number was \$168,000 unpaid water bills so that was a reduction of \$132,000 from the other version.

Mrs. Dennison: Let me just check that and make sure I put in the correct reduction.

Chairman Nazzaro: The number is right because there was a reduction of \$132,000. We originally had \$300,000 for water and it was dropped down to \$168,000, plus the other that we had.

Mrs. Dennison: Right, so it changed from negative \$432,326 to negative \$300,326.

Chairman Nazzaro: Which is a good thing.

Mrs. Dennison: Yes. There is also a new revenue item or a new increase in A.1330.R123.00RP for fees on real property tax transactions. It's an increase in the revenue account of \$35,000. In the decrease revenue section, the new item would be only the last item on the list in D.5010.R240.1000 reducing interest earnings by \$50,000. So, all of those changes and again, this does not include any change in the sales tax, it would reduce the levy in the tentative budget by \$366,317. The tax rate per thousand would be \$8.36. That would be a 9 cent reduction from the 2020 adopted budget. You'll also see on the left hand side of the exhibit, there's a quick summary of the different things that we changed by department. So just a qualitative summary of what changed and the effect on the local share. So that's page 3. Then page four and page five would just be the adjustments to the levy. So page 2 is based on a million dollars decrease in the sales tax revenue from the tentative budget. That would result in the levy going up \$633,683. I apologize in the box to the left there, I did not put the sales tax changes in that summary of events. So there is an increase in the levy and then the resulting tax rate would be \$8.49 per thousand and that would represent a 3 cent increase over the 2020 budget. The final page is all of the numbers assuming a \$2 million dollar decrease in the sales tax. So the levy compared to the tentative budget would increase \$1,633,683. The tax rate per thousand would be \$8.62 and that would represent a 16 cent increase over the 2020 adopted budget.

Chairman Nazzaro: Well done Kathleen and I like your little side notes on there. O.k., we're on the home stretch. We have three versions. I guess I'll open it up to discussion. Let me just make sure, I believe I know the answer but in all three scenarios it will still require us to override the tax cap, correct?

Mrs. Dennison: Yes.

Chairman Nazzaro: O.k., so regardless of the scenario of what we do here, it does require an override and I just want to say the County Executive's budget that he presented, although it did include a 5 cent per thousand tax rate decrease, you would still have to override the tax cap in this budget as well.

Mrs. Dennison: Correct.

Chairman Nazzaro: So any of these scenarios would have required an override. Again, we beat that to death because we don't have the carry forward main item and the rate of inflation was 1 ½% which is below the 2%. So with all that being said, the three scenarios we have, take a moment to digest them and I'll open it up for discussion on which one if any, hopefully one of them, we'll be able to move – we meet again in two weeks to go over any new information or any adjustments, or anything that comes before us.

Legislator Odell: I'll open it up. Originally I was in favor of the \$2 million, I still think that as we look at potential adjustment of \$100 million dollar influx of just stimulus money into the County, that that's the real benchmark and changer of our sales tax revenues. But, because we are watching this closely, weekly, and will continue to watch things weekly, I'd be comfortable with a million dollar reduction versus the \$2 million dollar reduction.

Legislator Gould: I would second that. I'd be very happy with the million. It increase the property taxes a slight amount. Two million would be 16 cents or something and that's too much. That's my feelings too. I would second that motion of Mr. Odell.

Legislator Odell: O.k., I'll convert it to a motion.

Chairman Nazzaro: Are you converting it to a motion? Or do you want –

Legislator Odell: Let's finish the discussion first.

Chairman Nazzaro: I can't stop you from making a motion.

Legislator Odell: I'll withdraw that statement.

Chairman Nazzaro: Mark didn't actually make an official motion. I think he was giving us his opinion that of the three scenarios, originally he wanted to \$2 million but based on information we have he's comfortable with the one million. So are you. I guess, we'll go around the room here.

Legislator Harmon: Originally, we have to override the tax cap regardless, is that what the scenario is?

Mrs. Dennison: Yes. The scenario with no change in the sales tax would override the tax cap by \$609,000.

Legislator Harmon: That was the 5 cent decrease per thousand?

Mrs. Dennison: The County Executive's budget overrides the tax cap by nine seventy five.

Legislator Harmon: So we still have to override no matter what we do?

Mrs. Dennison: Yes. If you make no changes to the sale tax, you would be overriding the tax cap by \$609,000.

Legislator Harmon: I like the one million dollar package.

Chairman Nazzaro: Again, a million dollar reduction in sales tax revenue which would bring it below what 2019 actual was, correct? Yes, because 2019 actual – because 2020 budgeted was roughly one percent or so, \$442,000 more than 2019 actual. Just too sort of frame it up so Legislator Niebel.

Legislator Niebel: How difficult would it be to include \$500,000 as a decrease? I mean, we have the rest of the numbers.

Mrs. Dennison: I'm doing it now.

Legislator Niebel: I'm just thinking that it takes us real close to the tax rate for last year.

Mrs. Dennison: If the sale tax is decreased by \$500,000 that would – it's not giving me the number I thought it would. It's a \$133,000 adjustment to the levy from the tentative budget, would be a tax rate of 8.43 which is 3 cents lower than 2020.

Chairman Nazzaro: So, if it was a half a million, it's 3 cents less.

Mrs. Dennison: It would be 3 cents lower than the 2020 budget.

Chairman Nazzaro: I'm not going to make this complicated so, so far I've heard three like the million, Terry's weighing more to like \$500,000. There is a couple of things that you can do here and I will look to my finance group. One would be, I just have a very difficult time supporting a tax rate cut of any kind no matter how we get there because of all the risk factors that we have. Not necessarily in the budget but just risk factors – yes, they are in the budget but just risk factors with the COVID, the economy, all the things we talked about. So, I'm not against a flat tax, keeping it flat. I'm also, to be honest with you, very comfortable with the million dollar decrease in sales tax revenue from what was in the budget. The other thing that we've never done and I don't know if we want to consider it is, let's say we went with a \$500,000 cut, you are going to get to the same result here. A \$500,000 cut in what was in the sales tax revenue which puts you right around what was 2019, I think. Very close.

Ms. Crow: Yes, \$432,000 is a difference between the tentative budget and the 2019 actual results.

Chairman Nazzaro: So the \$500,000 would be very close or you could just say, let's go with what 2019 was but then, I think we should consider a contingency account. We don't budget a contingency and I know that we've had this discussion before. A contingency of say, half a million dollars are for expenses that you don't take out of fund balance. You set up a contingency and I don't know if it can be structured where we – well, we do. We control the

budget amendments where something would come to us that was unbudgeted or under/over something comes up, Kitty your thoughts on that.

Ms. Crow: As far as the mechanics of a contingency yes, there's an account established for contingency. So when you want to use that contingency it's almost like doing a budget amendment to use fund balance. You would reduce what's budgeted for contingency in the contingency account and increase the appropriation in the account where you want to increase the budget. That is technically how it would work through the year.

Legislator Odell: (*Inaudible/cross talk*) off cycle occupancy tax project as far (*inaudible*).

Ms. Crow: Yes. But, you could also remove the vacancy savings and consider that your contingency that's built into the budget. I mean, you're putting in a reduction one place and then adding an increase in another place. I mean, how much contingency would you want to put into the budget?

Chairman Nazzaro: Here is just my thought and I appreciate everyone's patience. What I am thinking is, the one million dollar sales tax projection there, I could go with that. I could go with Legislator Niebel's, but then by creating a contingency, when something comes up, instead of taking it out of fund balance, we've already set up a line item in the budget to be used for unforeseen expenses that we didn't budget for. So, we're already paying for it through the tax levy so it doesn't have an affect going into the next year because we planned to have – and that's a small number when you look at the size of our budget. We used to have a 2% contingency where I worked and some years we used it and some years we didn't. Yea, you are going to have the same effect of what we're saying here but now what we're saying is, based on sales tax projections, we're seeing an uptick. We don't know what is going to happen in the 4th quarter, o.k., we'll modify that down but now we're setting up a contingency for expenses that things come up that we just didn't plan on. The difference in fund balance is, fund balance is taking out of your, basically, your unobligated reserves. Just a thought. It gets you to the same point.

Ms. Crow: I am generally in favor of having a contingency. We haven't had one for many years. When I first started here, we had a \$500,000 contingency and it kind of got whittled down to about \$250,000 for a couple of years and then it was removed all together. So, with the idea being that anything unforeseen that would come up would be either have to come out from somewhere else in the budget or would have to be appropriated from fund balance during the year.

Chairman Nazzaro: And when we had a contingency and I know I was here during those years but, when we had a contingency before, it still requires legislative action to take out of it?

Ms. Crow: Yes. It would require a budget amendment to use it.

Chairman Nazzaro: A good example, like this year. We talked about the Safety Coordinator. I'm in favor of that position but in 2020, we did not budget for it so there is an example. Situations change, we have the COVID and the Safety Coordinator was thought of long before the COVID but, we would have had a mechanism to fund that without taking it out of

fund balance because then we can say there're going to take it out of contingency. So, I'm going to step back from the Chair for a moment, not make a motion but one thing would possibly be to budget the 2019 actual sales tax, which we have – I always like to have a method to my madness. So say we're going to budget back to 2019, which is think was four forty two you said?

Ms. Crow: It's \$430,000 less than the tentative budget.

Chairman Nazzaro: And set up a half a million dollar contingency. That's just my thought. It's pretty close to the million dollars.

Legislator Harmon: I like that idea.

Chairman Nazzaro: We haven't had a motion on anything, right?

Legislator Harmon: No.

Chairman Nazzaro: So I'll just throw that out there for you to digest.

Mrs. Dennison If I could just add one other wrinkle. If you wanted to keep the tax rate flat with no change, you could do that by decreasing – given the other changes that you have, it will be a decrease to the sales tax budget for \$742,000.

Chairman Nazzaro: Now that seems high.

Chairman Chagnon: That's just what I calculated.

Chairman Nazzaro: How much?

Mrs. Dennison: It's \$742,425.

Chairman Nazzaro: O.k., now we've heard that bit of information. Alright since you're up there doing all of this, can you just do me one favor. Well, this is one of many favors that I've asked over the last week, calculate the tax rate bringing the sales tax to the 2019 level and setting up a half a million dollar contingency.

Mrs. Dennison: So we'd be reducing it by \$432,000, correct Kitty? Yea, reducing the budget by \$432,000.

Chairman Nazzaro: I'm not trying to split hairs here, I'm just trying to set up a plan for the future.

Mrs. Dennison: That would result in – just doing that change and the half a million contingency, it would be an increase of the tax rate of 2.4 cents.

Chairman Nazzaro: Which to me is very close to flat tax. Now I will open it up.

Legislator Niebel: If we reduce the contingency fund to \$250,000, that would put us at the same tax rate as last year or very close. Could you live with \$250,000 instead of \$500,000?

Chairman Nazzaro: I'm going to see what my colleagues say because I – I know I'm the Chair of the committee but I don't want to steer it.

Legislator Odell: This is the first broach on this topic. I want to stick my toes in the water first. I'd be looking at a quarter million and then the contingency at a half a million to the sales tax, but I'm all ears.

Legislator Harmon: I like the bigger amount.

Chairman Nazzaro: The bigger amount on contingency?

Legislator Harmon: Yes, the \$500,000.

Chairman Nazzaro: Jay, your thoughts.

Legislator Gould: I feel if you are going to set up a contingency fund, you should do it on a year when things are flush, not on a year when we're almost broke or going to be broke with what is going on with COVID. We don't know. I don't look for things to get better next year, 2021 till at least half the year is gone.

Ms. Crow: I actually have the opposite view because I think if any year you are going to put in a contingency, it would be next year because there is such an unknown. Once you set the levy, you can't raise taxes later in the middle of the year. So if you have a contingency built in, you've already raised that revenue and then if you don't use it at the end of the year, it goes back to fund balance.

Chairman Nazzaro: For example Jay, the cleaners or let's say anything that we took out because right now we're not getting the FEMA.

Legislator Gould: So, we're just putting stuff in there we took out with the contingency budget. Is that what you are saying now?

Chairman Nazzaro: No. What I am saying is, because there is so much uncertainty in this year coming up, 2021, that we are trying to account without decimating the budget and passing on a large rate increase, we've identified risk items, so, I agree with Kitty on this one. You do it in a new with such uncertainty because there is expenses that come up that we just haven't anticipated.

Ms. Crow: Or revenue shortfalls that we don't anticipate.

Chairman Nazzaro: You can use that for revenue shortfalls too.

Legislator Gould: Isn't that what fund balance is for?

Ms. Crow: Right now if we don't make our sales tax budget this year and as a reminder, 40% of our annual sales tax comes in in the 4th quarter. So if we fall short, which maybe we won't, maybe we'll meet our amended budget, but if we don't meet our amended budget on sales tax this year, it comes straight out of fund balance. We have \$12 million dollars undesignated fund balance. We also know we're going to have an adjustment to uncollected potentially another \$800,000 on top of the \$800,000 Todd is recommending right now. That would come out of fund balance if there aren't other things to offset by the end of the year. We don't have enough time to enact any changes to offset anything unknown between now and the end of the year. So, we're kind of at a point in the year that there is a lot of unknown, there could be an adjustment to fund balance at the end of this year and then if we go into next year and our budget it to tight and we don't make next year's budget, it doesn't take much before that fund balance gets down under \$10 million dollars.

Legislator Niebel: If the contingency fund is such a good idea, why did we let it laps. We had one in -

Ms. Crow: You might want to go back and read the transcripts from prior years. I don't know. Because it was never my decision. Those decisions came on the floor of the Legislature from the 2006 when I started when I said the contingency at that time was about \$500,000. It was a mechanism to balance the budget over the years. It got to a point in my recollection, the last \$250,000 was taken out to balance the budget and then with the mindset going forward that when anomalies come up, departments will have to come to the Legislature and if the Legislature agrees with the change, they would appropriate fund balance and that's how we've been operating and for the most part it's work. I think it's been fine but I think most county budgets probably have a contingency. I know most counties have a much greater percentage of fund balance in their fund balance than we do. We are –

Legislator Niebel: At 5%.

Ms. Crow: A couple of years ago at the end of the year, we had a \$6 million dollar adjustment to our fund balance. Do you guys remember that? If we had a \$6 million dollar surprise at the end of this year, now hopefully we don't have any surprises, we've been on top of everything that we could possibly think of, but what if something came up out of the blue and we had – we had a retro rate adjustment from the State that caused a \$6 million dollar adjustment by the end of this year.

Chairman Nazzaro: Keep in mind too, your Medicaid payment. I know that we have that letter and our payment went down by \$81,000 per week, which is huge. So instead of \$30 million in Medicaid, we're down to \$28 that can change. You have over \$4 million dollars in, well, \$3.8 million so far that we had to reduce our receivable by for property tax, can be pushing up to \$5 million by the end of the year because we already have \$3.8. That's just my thought. I think a 2 cent per thousand or 2.5 cent per thousand or anything, in this environment, is very acceptable. I just want to – we're a committee and I just want to bring a reasonable, realistic – we're very close.

Legislator Odell: The more I listen the more it makes sense. It just becomes a nice flywheel a little bit of a buffer to set the money and give it back out. I would go with the recommendation.

Legislator Gould: I don't feel that 2 ½ cents is enough. I'm overly cautious usually.

Chairman Nazzaro: Jay, to be honest with you, did you say the 2 ½ cent tax rate is not enough. Realistically that could be argued it should be much higher. So that's why – if we go any other way, I don't think that anyone here is proposing a tax rate cut, right? (*Committee agreed*) So that we can take off the table. So nobody here is recommending a tax rate cut. The starting point is a flat tax up to whatever.

Legislator Odell: I still think our middle ground, don't you? A million bucks. Whether it's a million buck reduction of sales tax or \$500,000 in contingency (*cross talk*)...

Chairman Nazzaro: I could live with either. The difference in the two and Kitty you can help me. At the end of the day, the sale tax, however that goes, if you have your contingency, you could use it- it will all come through all your budget adjustments.

Legislator Harmon: The .02, I think we're point zero three. I don't think it's very much at all.

Chairman Nazzaro: Whatever you want to do. I hear four of us saying a million dollars reduction of sales tax or a combination between the contingency and the sales tax is really our – we still have so much risk and I don't want to go below that.

Legislator Niebel: I still would like to see the tax rate remain the same Chuck but we're close. We're taking – it's not a big increase.

Chairman Nazzaro: Is it 2 ½ cents? The million.

Mrs. Dennison: The million is 3.2 cents.

Chairman Nazzaro: So on a \$100,000 home, its \$3.20 cents. On a \$50,000 home it's a \$1.65. My cup of coffee costs more than that this morning. So it's just a matter of how you want to get there. I will open it up to a motion if someone wants to make one and I will call the question.

Legislator Odell: I like to make a motion that we go with the proposal of a million dollar reduction to be split two ways. Appropriated two ways. A reduction in sales tax revenue of half a million dollars and the other to establish a contingency fund in the amount of half a million dollars leaving us with an effective rate for 2021 of \$8.8491.

Legislator Harmon: I will second that motion.

Chairman Nazzaro: O.k., again the motion is to reduce the sale tax revenues in the Executive's budget by \$500,000 and set up a contingency fund of \$500,000. I will open up for discussion? Any discussion?

Legislator Gould: Call the question, we've discussed it quite a bit.

Mrs. Dennison: One minor thing you might want to consider is that Chairman Nazzaro had suggested he wanted the sales tax budget to be equal to the 2019 actual. So one approach would be to decrease the sales tax budget by \$432,090 and it would be equal to 2019 actual and make your contingency fund \$567,910.

Chairman Nazzaro: Thank you for that, I appreciate that. Does anyone want to amend it?

(Committee response was no)

Chairman Nazzaro: Again, the tax rate is \$8.49 which represents a 3 cents on the dollar.

Mrs. Dennison: A 3 cent increase from the 2020 adopted budget.

Chairman Nazzaro: Any other discussion?

Carried with Legislator Niebel voting "no" (4 to 1)

Chairman Nazzaro: O.k., I'm sure we're not done with this because we'll probably be getting more information and things like that but this will now go to the Audit & Control Committee and I just have to say, I've been through 13 budget hearings and this has probably been the most – it's definitely the most unique because of all the COVID pandemic and all the uncertainty in sales tax and all the rest. But I really have to thank this committee. We worked together as a great team. I know that I said we'd be out of there at noon, it's 3:15, we've been five full days, so thank you very much. To the Finance staff and the budget staff, thank you so much. You keep us honest and we appreciate all your input. Kathleen, I would appreciate you sending out, you don't have to do it today, but what we approved here today. I know that you have some numbers you have to assign but you'll have time to do that.

Mrs. Dennison: I can send out this document with what you approved but I did just want to comment that there will be some fine tuning because especially the vacancy savings, the managers increase will take some finagling for us to get into the budget and we don't know the precise dollar amounts that come out of that.

Chairman Nazzaro: O.k., then the other fund changes.

Ms. Crow: "M", "CS", and *(cross talk)*..

Mrs. Dennison: Yes, I'll put them into the document.

Chairman Chagnon: Mr. Chairman, as a result of this budget amendment that you are proposing, as you all know, we are now going to be exceeding the tax cap so we have to have a local law authorizing the exceedance of the tax cap and that has to be adopted before our next Legislature meeting so I'll be calling a special Legislature meeting for next Tuesday and we'll be introducing a local law to increase the tax rate above the tax cap. That local law I'm assuming will be sponsored by your Chairman Nazzaro and that will be the purpose of the meeting. There is one other item that will be on that agenda and that is the Board of Elections has received another grant to help with their expenses due to COVID and it has to be adopted before our next Legislature meeting so that will also be on the agenda for our emergency meeting next Tuesday.

Chairman Nazzaro: Thank you Chairman Chagnon.

Chairman Chagnon: That will be on zoom as usual. We'll do a hybrid like we did the last Legislature meeting. Kathy what time?

Clerk Tampio: It's up to you Mr. Chairman.

Chairman Chagnon: What is your suggestion Kathy?

Clerk Tampio: Well, previous special meetings has been held at 4:00 but if you want to do the usual 6:30, that is fine too.

Legislator Gould: Well, if some people work, 6:30 would be better.

Chairman Chagnon: Six thirty sounds good to me.

Chairman Nazzaro: O.k., any other business to come before the Audit & Control before a call a motion to adjourn.

Legislator Odell: Move to adjourn.

Legislator Niebel: Second.

Unanimously Carried (3:20 p.m.)

Respectfully submitted and transcribed,
Kathy Tampio, Clerk/Olivia Ames, Deputy Clerk/Lori J. Foster, Sr. Stenographer