



Onondaga County Legislature

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Clerk

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Chairman

KATHERINE FRENCH
Deputy Clerk

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WAYS & MEANS COMMITTEE 2012 BUDGET REVIEW OF WAYS & MEANS DEPARTMENTS September 23, 2011 CASEY JORDAN, Chairman

MEMBERS PRESENT: Mr. Lesniak, Mr. Buckel, Mr. Warner, Mr. Holmquist, Mr. Kilmartin

MEMBERS ABSENT: Mr. Corbett, Mr. Stanczyk, Mr. Kinne

ALSO PRESENT: Mrs. Tassone, Chairman Rhinehart, Mr. Meyer, *see also attached list*

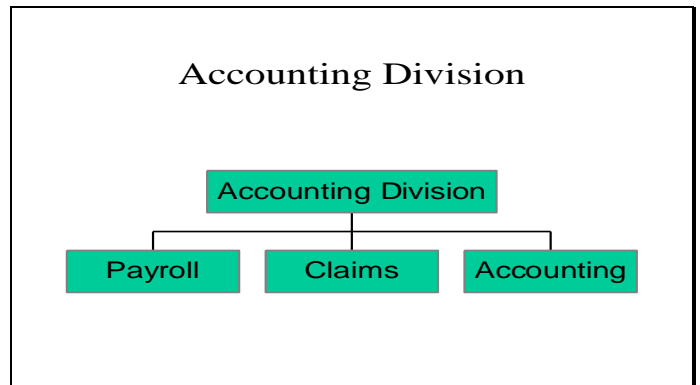
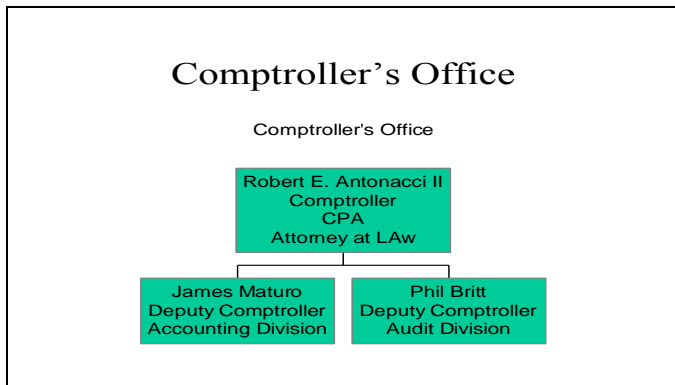
COMPTROLLER, pg. 3-7 (Accounting); pg. 3-15 (Auditing) – Robert Antonacci, Jr., Comptroller; James Maturo, Deputy Comptroller/Accounting; Philip Britt, Deputy Comptroller, Auditing, Tara Venditti, Budget Analyst

Mr. Antonacci presented the following:

We appreciate the opportunity to discuss the proposed budget for the Office of County Comptroller as submitted by the Honorable County Executive.

We respectfully request the budget as submitted be passed in its entirety, and we offer the following for your consideration.

Introductions: Please allow me to introduce the following with me today. James Maturo is the Deputy Comptroller in charge of the Accounting Division. Jim has just completed 28 years with county government and as I am sure all of you have experienced is an invaluable financial resource when discussing county finances. Phil Britt is the Deputy Comptroller in charge of the Audit Division. Phil, now in his second year hails from the private sector and has brought great experience to our management team. I hope you will agree he has been a welcomed addition to the professional staff at our office.



- The Future- Good and Bad**
- Investment lowers overall cost of government
 - Promotes fact sharing, data gathering
 - PeopleSoft will maximize use of new software, gets all municipalities "speaking same language"
 - Specialized audit teams

- Examples of Projects**
- Town of Camillus Tax Receiver Report
 - Town of Camillus Justice Court Report
 - Town of Manlius Accounting Report
 - Village & Town of Marcellus Sewer Sharing
 - Fire Department Inquiries
 - Police Department Inquiries
 - Village of Camillus Dissolution Report

Accounting Department

As you are aware, Onondaga County government is implementing the PeopleSoft program at a cost of approximately \$10 million. This implementation comes with risks and requirements. My staff gives the utmost attention to the timely and thorough implementation of this multi-million dollar investment. We are excited of the prospects of the county-wide use of the PeopleSoft program and have supported its implementation from day one.

With my accounting department at the levels requested, we believe we can help meet this aggressive implementation in a timely fashion. My accounting department must continue to enter all the county accounting data as well as prepare for the PeopleSoft implementation. In some areas, we will be running a parallel accounting program and need appropriate and experienced staff.

As soon as the financial piece of the PeopleSoft software is implemented, the payroll department will be next up in implementing the software's payroll futures. It will be a busy time for our staff and we believe our request is reasonable in balancing the risk/rewards of this project.

- Payroll-process payments over \$225 million
- Claims-process over 100,000 vendor claims,we pre-audit per charter
- Accounting-processed over 100,000 adjusting entries, critical to our total financial presentation, risk/financial integrity-bond rating, State & Federal aid

CSI- Onondaga

- Consolidation, Sharing Services, Integration & Information
- Use of sales tax money to assist City and County in these efforts
- Form Tax Force to institute "One Bill"
- Must make strategic investments to reduce cost of government

Continuing 2011 Initiatives

- With requested staff levels maintain current services with new priorities
- Maintain Green auditor (3m fund)
- PeopleSoft software implementation
- CSI-Onondaga

Audit Department

Our audit department with this budget will be as close to full staff as it has been in some time. A properly staffed and funded audit department protects all of us by insuring timely issued financial statements, proper oversight of the internal control apparatus and the issuance of reports to help make our government more efficient.

The CSI Onondaga Tax force has released five studies as of this writing. We are assisting our municipalities in evaluating consolidation decisions and helping those municipalities that are sharing services to reach an unprecedented level of cooperation.

The cost of this funded Tax Force is far out-weighed by the potential overall county impact of our Tax force. To date we have issued reports in the Village of Camillus dissolution proposal and are helping the Village of Marcellus and the Town of Marcellus work through an issue involving shared sewer services. We have been contacted and received inquiries on numerous other potential consolidations and shared services opportunities including fire and police matters. We want to be able to offer this continued opportunity to any municipality in need and believe the full \$30,000 appropriation is a reasonable request.

Our request this year is in two parts, with \$15,000 in our 101 line and the remaining \$15,000 in the fund balance resolution. We have not increased our request but do believe the proposal as presented lends more flexibility for us to deliver the services requested.

Thank you for your consideration of the Comptroller Department's budget request. We look forward to being part of a team at county government providing PeopleSoft implementation at the highest professional level while our audit department protects the county taxpayer and assists in lowering the total cost of government in our county.

Mr. Lesniak referred to the 410 account, noting that the numbers don't meld out for the last 3 years. Mr. Maturo explained that when they contract for the audit with Testone, Marshall and Discenza, they begin the audit in Nov. and end in April. The amount put in the budget is for that time period. At the end of 2010, there was approximately \$30,000 left in the contract with them that hadn't been expended. The encumbrance carries forward with a portion of 2010 budget and then they pay out the rest of the contract. The pattern will be seen every year for the accounting side and auditing side because of the contract spanning years. Of the \$57k in 2011, about \$20,000 of it will be spent before the end of the year; \$30k will be carried forward and it will show up in BAM 2012 next year.

Mr. Warner noted that last year there was discussion about where employees are paid from – i.e. just because they work in a department, doesn't mean that they are being paid from that department. Mr. Antonacci said that his office was asked to provide a letters of distribution report and it has been forwarded to the legislature.

Mr. Buckel asked about outside audits performed of county functions. Mr. Antonacci said that every year the County of Onondaga is audited by Testone, Marshall and Discenza – it is considered an outside audit. His audit staff fills 2500-3500 man hours auditing and preparing the work papers for presentation to the independent auditors. The independent auditors, using the Comptroller's work papers, issues an audit on Onondaga County government. Within the financial statements, there are several components that also receive independent audits: OCC, OCIDA and Oncenter. In answer to Mr. Buckel, Mr. Antonacci said that there are pieces charged to different departments. The total charge to TMD is approximately \$130,000 on a billion dollar budget. There is another entity within the confines of county government which pays \$300,000 for an approximate \$700,000 of expenditures.

Mr. Buckel noted that the overall expenditures are \$3 million on both sides of the Comptroller's office, plus the cost of the outside audit. He said much of what the office does could be handled by the private sector for less money, with more stringent standards, and possibly with firms that have broad experience. He asked Mr. Antonacci for his thoughts. Mr. Antonacci said that anything can be outsourced; private firm could provide the functions of the office, but was unsure if it would cost less. A decent CPA partner is charging north of \$200/hr.; a decent staff accountant with little to no experience is charged out at \$125/hr. The devil is always in the details. They have discussed farming out payroll. It would have to be looked at it, with a proposal, get an idea of what the work load is and examine it. They are more than willing to examine any ideas that would save county taxpayers money. Mr. Buckel would encourage that.

Mr. Buckel referred to elected officials' salaries. He is not opposed to a raise consistent with the inflation rate or growth rate, or something that tracks the size of the overall budget, but pointed out that this raise is needed to attract good people, is insulting to Mr. Antonacci. He noted that Mr. Antonacci knew the salary and knew the expectations and the Charter hasn't changed. He expects more from elected officials and from Mr. Antonacci, a person he deeply respects. Mr. Antonacci said that he doesn't know when this should be discussed. This position over a 20 – yr period with a roaring economy, a stock market that was booming, and an unemployment rate that was as low as it has ever been in the modern world, didn't get the raises that the position deserved. He doesn't know when to adjust for these salaries--if there is a litmus test, or a benchmark. To look at the totality of county government, compensation, and what drive the adjustment to MC pay, passed by the legislature, which he fully supports – some have been underpaid and underappreciated; sometimes they get treated worse than the rank and file employees and they are the ones willing to step out of the box and become management employees. On one hand electeds are treated like employees, i.e. health insurance, and on the other hand they are not. He is not a policy maker, but it is his job to put forth issues that he feels should be addressed – his compensation was one of them. When looking at what other members of county government are making, who have similar duties and responsibilities, then the conversation should be

advanced. He believes that in an election year, which has been the historical trend for this legislature, is the most appropriate time to review compensation. Mr. Buckel referred to benchmarks--comparing to where the Comptroller started, comparing to others within County government here – there are benchmarks that are appropriate – inflation, productivity, or growth in this budget - he would support something like that.

Mr. Lesniak asked which position was unfunded on the accounting side. Mr. Maturo said that it is an account clerk III in the payroll department. There was a person that took the ERI; a portion of their salary was funded in 2011. The funding was removed in 2012, as they feel they can go without that position.

FINANCE:

MANAGEMENT & BUDGET - pg. 3-140 – James Rowley, CFO; Peter Seitz, Director;; Karen Carey, Dir. Real Prop. Tax Svcs.

2012 ANNUAL BUDGET
Ways & Means Committee Report

FINANCE DEPARTMENT

JOANNE M. MAHONEY, COUNTY EXECUTIVE
JAMES ROWLEY, CHIEF FISCAL OFFICER



DIVISION OF MANAGEMENT & BUDGET





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Key Accomplishments

2011 proved to be a challenging year for the Division of Management and Budget; three of our key accomplishments were :

1. Starting the PeopleSoft conversion in concert with outside consultants and key personnel in other departments. DMB is using the conversion as an opportunity to streamline and enhance the County's budgeting and financial processes.
2. Working with the Health Department, the Department of Mental Health, the Sheriff's Department, Jamesville Correctional Facility, and Hillbrook to implement a contract which outsourced correctional health and mental health services.
3. Working with the Department of Personnel to manage the Early Retirement Incentive Program to ensure the County is complying with State requirements. Approximately 300 employees opted to take advantage of the program, at an estimated \$18 million in savings over two years.

These three priorities were accomplished despite managing staff turnover.

PeopleSoft

DMB is playing a key role in implementing the PeopleSoft conversion:


1. Working with departments to enhance their Program Profiles to align these budget sections for use in PeopleSoft. This will allow for tracking expenditures at the program level enabling the County to collect and analyze more detailed data essential for gaining operational efficiencies.
2. Reviewing existing procedures to achieve greater efficiency through using the new technology.
3. Participating in Train the Trainer sessions.

Capital Planning

DMB, in conjunction with the County Executive's office, has revamped and refocused the Capital Improvement Plan:

1. Worked with departments to prioritize their capital projects under a pre-determined budget target and the department's ability to successfully complete projects within the plan's timeframe. The result is a real plan as opposed to a wish list.
2. Developed an extensive analysis of makes and models of vehicles in an effort to streamline the County's fleet and minimize maintenance costs.
3. Provided bonding resolutions as part of the budget legislation to implement the Capital Plan.

2011 KEY ACCOMPLISHMENTS – DIV. OF MGT. & BUDGET


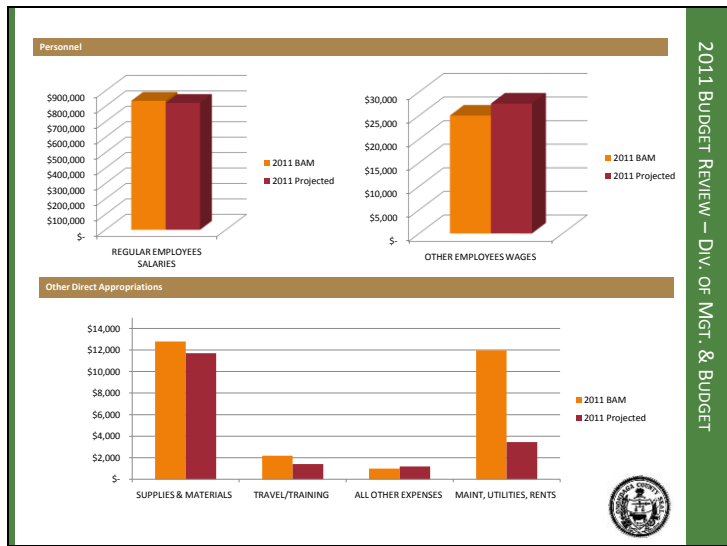


2012 Strategic Priorities

2012 brings new opportunities and challenges:


1. Streamlining processes to correspond with the PeopleSoft implementation
2. Utilizing the Hyperion Budget module to produce the 2013 budget
3. Managing turnover and establishing a succession plan to ensure knowledge transfer. Nine staff members have resigned or retired in the past two years
4. Managing the budget to comply with state tax cap legislation while minimizing gaps in outlying years
5. Minimizing economic and state mandate impacts to the County budget.

2012 STRATEGIC PRIORITIES – DIV. OF MGT. & BUDGET

Total direct appropriations are projected to end year within 1% of BAM.

FINANCE DIVISION




Finance Division

Section 1:
2011 Accomplishments
2011 Budget Review & Wrap Up

Section 2:
2012 Budget Overview

Section 3:
2012 Strategic Priorities

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Key Accomplishments

2011 proved to be a challenging year for the Finance Division; three of our key accomplishments were :

1. Conducting an auction of tax delinquent properties, which resulted in the collection of over \$2.3m taxes paid
2. Maintaining high credit ratings with Fitch (AAA), Moody's (Aa1), and Standard & Poor's (AA+) despite significant budget pressure from rising employee fringe benefit costs and State mandated service costs. Improving outlook with Fitch Ratings from "negative" to "stable"
3. Assisting in the overhaul of the Capital Improvement Plan to prioritize projects that can be accomplished operationally and fiscally within a six year time frame.

These three priorities were accomplished despite the current economic uncertainty, and while managing staff turnover related to 2010's Early Retirement Incentive.

Real Property Tax Services


In addition to the accomplishments listed above, Real Property Tax Services :

1. Provided copies of original tax bills that can be used to make property tax payments on the Ongov.net website
2. Provided town assessors with scanned images of deeds and property transfer forms instead of sending paper copies.

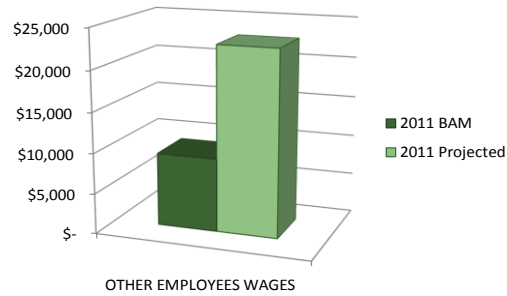
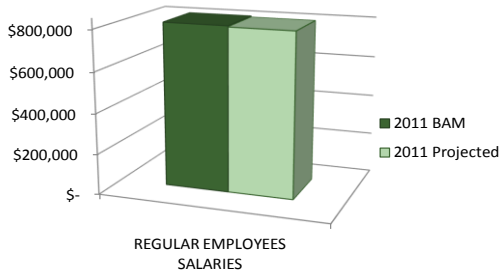
Treasury

The Treasury Division sold \$33,755,000 of General Obligation Bonds at an average interest rate of 2.95% after net premium. This resulted in savings totaling \$2,658,087 in 2013 – 2030.

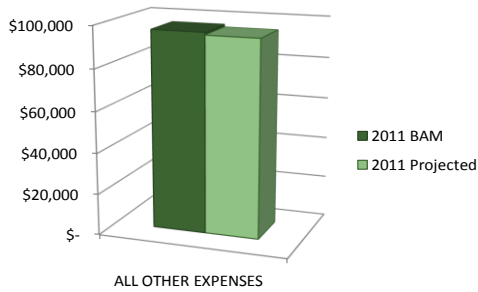
2011 KEY ACCOMPLISHMENTS – FINANCE DIVISION



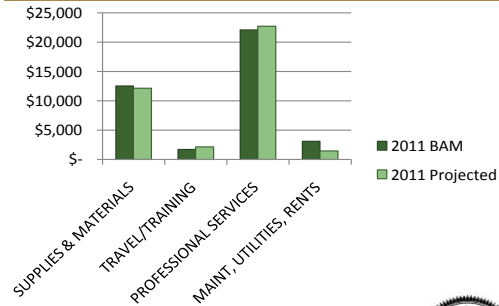
Personnel



All Other Expenses



Other Direct Appropriations



Total direct appropriations are projected to end year within 1% of BAM.

2012 Budget Overview – Finance Division

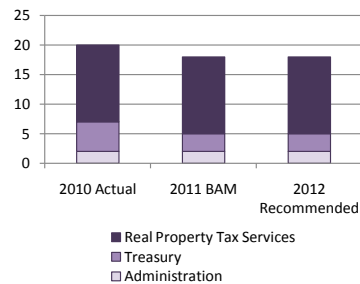
Object	Description	2010 Actual	2011 BAM	2012 Recomm	2012 Var. from 2011 BAM
101	Regular Employees Salaries	819,436	810,626	843,985	33,359
102	Overtime Wages	19	-	-	-
103	Other Employee Wages	10,449	9,103	11,136	2,033
300	Supplies & Materials	4,233	12,502	9,000	(3,502)
401	Travel/Training	1,406	1,680	4,460	2,780
408	Professional Services	20,117	22,083	23,000	917
410	All Other Expenses	89,612	96,428	94,312	(2,116)
413	Maint, Utilities, Rents	1,468	3,112	3,400	288
Subtotal Direct Appropriations		946,740	955,534	989,293	33,759
120	Employee Benefits - Interdept.	406,027	509,478	557,120	47,642
495	Interdepartmental Expense	500,352	462,892	580,662	117,770
Subtotal Interdepartmentals		906,379	972,370	1,137,782	165,412
Total Appropriations		1,853,119	1,927,904	2,127,075	199,171
005	Non Real Property Tax Items	82,660	83,249	83,249	-
030	Co Svc Rev - Genl Govt	513,392	413,020	439,570	26,550
040	Svc Oth Govt - Gen Govt	592,236	625,013	625,012	(1)
050	Interest & Earnings	533,911	388,143	595,938	207,795
051	Rental Income	311	400	400	-
056	Sales Of Prop & Comp For	(2,265)	152,600	102,000	(50,600)
057	Oth Misc Revenues	65,405	37,000	44,500	7,500
Subtotal Direct Revenues		1,785,650	1,699,425	1,890,669	191,244
060	Interdepartmental Revenue	236,431	236,405	236,406	1
Subtotal Interdept. Revenues		236,431	236,405	236,406	1
Total Revenues		2,022,081	1,935,830	2,127,075	191,245
Local (Appropriations - Revenues)		(168,962)	(7,926)	-	7,926

Funding Adjustments

Notes:

1. Headcount is unchanged from 2011.
2. Interest & Earnings increased due to reallocation of investable cash balances.


Authorized Positions



2012 Strategic Priorities
 2012 brings new opportunities and challenges:

1. Streamlining processes to correspond with the PeopleSoft implementation
2. Stabilizing the technology of the tax bill system
3. Obtaining new bond consultants to replace retiring ones, and developing a strategy for future County debt offerings
4. Work with county Executive's office to determine County's approach to recently-enacted Land Bank legislation
5. Managing turnover related to retirements and establishing a succession plan to ensure knowledge transfer.

2012 STRATEGIC PRIORITIES – FINANCE DIVISION




2012 County Wide Allocations


Please see the following sections of the 2012 Tentative Annual Budget:

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2012 COUNTY WIDE ALLOCATIONS




COUNTY WIDE ALLOCATIONS



Room Occupancy Tax Revenue Breakdown

Room Occupancy Taxes	2009 Actual	2010 Actual	2011 Adopted	2011 BAM	2011 Forecast	2012 Recommended
ROT Revenue-Finance	\$75,000	\$75,000	\$75,000	\$75,000	\$75,000	\$75,000
ROT Revenue-CTY General	\$4,977,716	\$5,307,470	\$5,375,000	\$5,375,000	\$5,424,081	\$5,389,185
Total Revenue	\$5,052,716	\$5,382,470	\$5,450,000	\$5,450,000	\$5,499,081	\$5,464,185
ADMINISTRATIVE COSTS						
COMPTROLLERS	\$49,433	\$49,433	\$49,433	\$49,433	\$49,433	\$49,433
LAW	\$34,705	\$34,705	\$34,705	\$34,705	\$34,705	\$34,705
FINANCE	\$83,249	\$83,249	\$83,249	\$83,249	\$83,249	\$83,249
DMB	\$26,620	\$26,620	\$26,620	\$26,620	\$26,620	\$26,620
Sub-Total	\$194,007	\$194,007	\$194,007	\$194,007	\$194,007	\$194,007
CURRENT DISTRIBUTIONS						
Paul Robeson	\$0	\$0	\$0	\$0	\$0	\$0
Paul Robeson Contingency	\$0	\$0	\$0	\$0	\$0	\$0
Red House	\$0	\$0	\$0	\$0	\$0	\$15,000
CRC	\$0	\$50,000	\$0	\$0	\$0	\$60,090
YMCA	\$0	\$15,000	\$20,304	\$20,304	\$20,304	\$20,304
Syr Stage	\$0	\$15,000	\$0	\$0	\$0	\$31,975
LANDMARK THEATER	\$100,000	\$117,000	\$23,017	\$23,017	\$23,017	\$23,017
LANDMARK THEATER Contingency	\$0	\$0	\$100,000	\$100,000	\$100,000	\$0
SYR OPERA-5947	\$3,616	\$43,616	\$0	\$0	\$0	\$68,084
Salt City	\$0	\$8,000	\$0	\$0	\$0	\$11,246
EVERSON MUSEUM OF ART-5951	\$23,837	\$93,837	\$107,270	\$107,270	\$107,270	\$107,270
SYR SYMPHONY ORCHESTRA-5952	\$83,478	\$333,478	\$204,465	\$204,465	\$204,465	\$0
SYR SYMPHONY Contingency	\$0	\$0	\$200,000	\$200,000	\$200,000	\$0
SYR - Philharmonic	\$0	\$0	\$0	\$0	\$0	\$404,465
MOST-5955	\$150,000	\$138,362	\$124,526	\$124,526	\$124,526	\$138,362
Historical Assoc	\$0	\$80,000	\$100,989	\$100,989	\$100,989	\$145,000
Historical Assoc Fire Protection	\$0	\$0	\$0	\$0	\$0	\$0
ERIE CANAL MUSEUM-5957	\$13,718	\$48,718	\$49,388	\$49,388	\$49,388	\$49,388
CNY Jazz Arts Foundation-5981	\$10,000	\$8,000	\$0	\$0	\$0	\$8,000
Greater Syr Leadership	\$0	\$0	\$0	\$0	\$0	\$0
FOCUS	\$0	\$0	\$0	\$0	\$0	\$0
Syr Int Film Festival	\$0	\$20,000	\$0	\$0	\$0	\$25,300
Syr City Ballet	\$0	\$0	\$0	\$0	\$0	\$10,000
Skaneateles Festival	\$0	\$0	\$0	\$0	\$0	\$5,640
SYRACUSE JAZZFEST-5998	\$65,000	\$63,882	\$63,882	\$63,882	\$70,882	\$63,882
Sub-Total	\$419,649	\$421,999	\$693,944	\$693,944	\$4,999,944	\$4,187,999

2012 ROOM OCCUPANCY TAX



• Room Occupancy Tax Revenue Breakdown

Room Occupancy Taxes	2009Actual	2010 Actual	2011 Adopted	2011 BAM	2011 Forecast	2012 Recommended
Contracted Client Services-570						
Syracuse CVB	\$1,350,000	\$1,305,000	\$1,525,000	\$1,525,000	\$1,525,000	\$1,472,500
Syracuse CVB	\$295,425	\$0	\$0	\$29,020	\$29,020	\$0
EVENT FUND-SYR NATIONALS	\$0	\$22,500	\$47,500	\$47,500	\$47,500	\$0
Syr CVB Sub Total	\$1,645,425	\$1,327,500	\$1,572,500	\$1,601,520	\$1,601,520	\$1,472,500
Centerstates CEO	\$0	\$25,000	\$25,000	\$25,000	\$25,000	\$0
Total 570 Account	\$1,645,425	\$1,352,500	\$1,597,500	\$1,626,520	\$1,626,520	\$1,472,500
Fin Services Sub-Total	\$2,095,074	\$2,387,393	\$2,591,341	\$2,620,361	\$2,627,361	\$2,659,523
CONVENTION CENTER SUBSIDY-5925	\$2,189,018	\$2,189,018	\$1,479,742	\$1,868,684	\$1,868,684	\$1,638,425
Centers For Nature	\$0	\$15,000	\$0	\$0	\$0	\$10,000
Physical Services ROT Sub-Total	\$2,189,018	\$2,204,018	\$1,479,742	\$1,868,684	\$1,868,684	\$1,648,425
Other Department Allocations						
Facil Mgt Debt For OnCenter Carrier Pro	\$144,126	\$153,629	\$155,211	\$155,211	\$155,211	\$155,726
Facil Mgt Mice For OnCenter	\$0	\$0	\$709,276	\$709,276	\$709,276	\$280,454
Facil Mgt DH&C For OnCenter						\$389,760
Facil Mgt Service Contracts						\$0
Jazzfest from P/Y Contingency				\$7,000		
PARKS (GRANT #77044-002)	\$67,700	\$68,900	\$68,900	\$68,900	\$68,900	\$68,900
PARKS Carp Brook			\$50,000	\$50,000	\$50,000	\$50,000
PARKS - Budget Support			\$1,000,000	\$1,000,000	\$1,000,000	\$0
PARKS (GRANT #77044-002)			\$0	\$0	\$0	\$0
PARKS (Hopkins Road Park)		\$108,763	\$0	\$0	\$0	\$0
CHAMBER-MARKETING FOR PARKS	\$11,000	\$0	\$0	\$0	\$0	\$0
EMPIRE STATE GAMES	\$0	\$0	\$0	\$0	\$0	\$0
EVENT FUND-SYR NATIONALS	\$22,500	\$25,000	\$0	\$0	\$0	\$0
Historical Assoc Fire Protection	\$0	\$16,700	\$0	\$0	\$0	\$0
Upstate Ballet		\$3,200				
WAR MEM/CON CENT Capital Improv	\$0	\$0	\$0	\$0	\$0	\$0
WAR MEMORIAL/CON CENT DEBT	\$0	\$0	\$0	\$0	\$0	\$0
CONVENTION & TOURISM	\$0	\$0	\$0	\$0	\$0	\$0
Physical Services ROT Sub-Total	\$245,326	\$376,192	\$1,983,387	\$1,990,387	\$1,983,387	\$944,840
CURRENT DISTRIBUTIONS Totals	\$4,723,425	\$5,161,610	\$6,248,477	\$6,673,439	\$6,673,439	\$5,446,795
Total Revenues	\$5,052,716	\$5,382,470	\$5,450,000	\$5,450,000	\$5,499,081	\$5,464,185
SURPLUS/(DEFICIT)	\$329,291	\$220,860	(\$798,477)	(\$1,223,439)	(\$1,174,358)	\$17,390

2012 ROOM OCCUPANCY TAX

• Room Occupancy Tax –Contingency and Prior Years

Beginning Balance 12/31/10	
Contingency Account	\$183,590
Prior Years Surpluses – Unallocated	787,831
2010 Operating Surplus	220,860
All other expenses account	24,672
Total Beginning Balances Prior Years	\$1,216,953
Less: Excess Funded Allocated in 2011	
Add'l Subsidy of the Parks Zoo (\$1,000,000)	(\$798,477)
(Net shortfall from 2011 Adopted)	
Add'l funds for the Women Bowlers ONCENTER	(\$88,942)
Add'l funds for the Women Bowlers CVB	(\$29,020)
Add'l funds for the JazzFest	(\$7,000)
Add'l funds for the ONCENTER	(\$300,000)
Total 2011 Appropriations	(\$1,223,439)
Net Balance of 2011 Prior Year Funds	(\$6,486)
Projected Surplus / (Deficit) 2011 Current Year	\$49,081
Projected Fund Balance, 12/31/11	\$42,595
Current Add'l dollars 2012 available	\$17,390

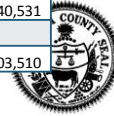
2012 ROOM OCCUPANCY TAX



• 2012 Property Tax Cap Calculation

	General Fund	Water	Bear Trap	Bloody Brook	Meadow Brook	Harbor Brook	Total
2011 Adopted Levy	153,821,817	1,274,172	469,418	255,881	750,692	404,282	156,976,262
2011 Adopted Abstract	17,642,792	0	0	0	0	0	17,642,792
2011 Total Levy / Abstract	171,464,609	1,274,172	469,418	255,881	750,692	404,282	174,619,054
Tax Base Growth Factor	172,733,447	1,283,601	472,892	257,775	756,247	407,274	175,911,235
Pilots Rec 2011	2,588,164	0	0	0	0	0	2,588,164
Sub Total	175,321,611	1,283,601	472,892	257,775	756,247	407,274	178,499,399
Levy Growth factor	178,828,043	1,309,273	482,350	262,930	771,372	415,419	182,069,387
Pilots Rec 2012	2,862,388	0	0	0	0	0	2,862,388
Levy Limit b/f Adj/Exclusions	175,965,655	1,309,273	482,350	262,930	771,372	415,419	179,206,999
Adjustments							
Costs Trans of Function	0	0	0	0	0	0	0
Savings Trans of Function	0	0	0	0	0	0	0
Total Adjustments	0	0	0	0	0	0	0
Levy Limit b/f Exclusions	175,965,655	1,309,273	482,350	262,930	771,372	415,419	179,206,999
Exclusions							
Torts/Judgements >5% 2011 Levy	0	0	0	0	0	0	0
Pension Exclusion	1,194,527	0	0	0	0	0	1,194,527
Total Exclusions	1,194,527	0	0	0	0	0	1,194,527
2012 Levy Limit	177,160,182	1,309,273	482,350	262,930	771,372	415,419	180,401,526
2012 Proposed Levy	153,821,817	1,303,218	634,949	266,665	770,606	419,798	157,217,053
2012 Proposed Abstract	18,543,942	0	0	0	0	0	18,543,942
2012 Proposed Levy / Abstract	172,365,759	1,303,218	634,949	266,665	770,606	419,798	175,760,995
Under / (Over) Levy Limit	4,794,423	6,055	-152,599	-3,735	766	-4,379	4,640,531
Carryover to 2013 Budget*	2,657,403	6,055	-152,599	-3,735	766	-4,379	2,503,510

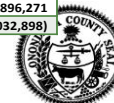
*No carryover until 2013



• 2013 – 2014 Multiyear Report

Multiyear Report

	2010 Actual	2011 Adopted	2011 Modified	2012 Recomm.	2013 Forecast	2014 Forecast
Revenues						
PROPERTY TAX LEVY	\$184,064,270	\$153,821,817	\$153,821,817	\$153,821,817	\$153,821,817	\$153,821,817
DEFERRED/UNCOLLECTIBLE	(\$12,901,578)	(\$12,436,773)	(\$12,436,773)	(\$12,169,904)	(\$11,655,705)	(\$11,405,948)
PRIOR YR COLLECTIONS	\$3,853,593	\$4,704,368	\$4,704,368	\$5,915,905	\$6,309,915	\$6,585,548
PILOTS/INTEREST & PENALTIES	\$8,067,120	\$7,599,888	\$7,599,888	\$8,800,886	\$8,752,191	\$8,731,951
ROOM OCCUPANCY TAX	\$4,968,791	\$6,219,577	\$6,219,577	\$5,435,285	\$5,435,285	\$5,435,285
ABSTRACT CHARGES	\$8,587,424	\$10,983,599	\$10,983,599	\$11,856,736	\$12,112,125	\$12,374,511
SALES TAX –COUNTY PORTION	\$145,905,047	\$197,474,730	\$198,028,730	\$225,845,789	\$235,429,462	\$237,938,598
SALES TAX –MUNICIPALITIES/SCHOOL PORTION	\$147,759,335	\$95,924,741	\$95,924,741	\$83,565,717	\$78,982,257	\$82,183,057
STATE AID	\$93,289,325	\$100,664,620	\$100,664,620	\$91,892,147	\$93,431,445	\$95,092,348
FEDERAL AID	\$78,235,372	\$74,588,594	\$74,642,594	\$86,620,130	\$90,261,409	\$93,718,115
INTERDEPARTMENTALS	\$49,321,749	\$47,734,463	\$47,734,463	\$51,534,369	\$51,546,817	\$51,559,265
ALL OTHER	\$46,241,878	\$47,041,353	\$47,231,353	\$46,788,130	\$46,587,643	\$46,828,826
PROJECT FUND CLOSE-OUTS	\$807,973	\$1,368,921	\$1,268,921	\$0	\$0	\$0
FUND BALANCE	\$0	\$1,663,739	\$5,217,437	\$4,586,844	\$0	\$0
Total REVENUES	\$758,200,299	\$737,353,637	\$741,605,335	\$764,493,851	\$771,014,660	\$782,863,373
Appropriations						
MANDATED PROGRAMS	\$219,684,696	\$240,556,221	\$240,556,221	\$257,891,395	\$265,100,356	\$281,377,875
SOCIAL SERVICES ADMIN	\$57,551,617	\$61,529,850	\$61,538,567	\$65,776,794	\$67,395,860	\$69,014,925
SOCIAL SERVICES –POS	\$8,709,780	\$8,944,001	\$8,944,001	\$7,876,565	\$7,876,565	\$7,876,565
PUBLIC SAFETY	\$102,263,974	\$114,040,421	\$115,509,275	\$119,816,652	\$123,540,895	\$126,839,070
FACILITIES	\$15,968,532	\$17,177,637	\$18,522,651	\$18,022,006	\$20,510,642	\$20,495,562
INFORMATION TECHNOLOGY	\$10,641,810	\$11,411,732	\$11,915,307	\$12,089,872	\$12,526,536	\$12,706,554
DEBT SERVICE	\$12,978,076	\$17,196,714	\$17,196,714	\$17,118,120	\$18,849,406	\$20,727,598
HEALTH	\$45,999,820	\$43,968,308	\$44,575,611	\$44,402,380	\$45,093,785	\$45,785,120
HIGHWAYS	\$17,837,017	\$19,446,094	\$19,446,094	\$21,648,186	\$26,233,670	\$29,926,742
PARKS	\$10,765,828	\$11,046,997	\$11,347,508	\$11,188,692	\$11,719,589	\$12,025,618
OCC	\$8,864,000	\$8,864,000	\$8,864,000	\$9,307,000	\$9,493,140	\$9,683,003
LIBRARIES	\$4,393,452	\$4,427,101	\$4,427,101	\$5,308,625	\$5,635,012	\$5,999,311
SALES TAX –MUNICIPALITIES/SCHOOL PORTION	\$147,759,335	\$95,924,741	\$95,924,741	\$83,565,717	\$78,982,257	\$82,183,057
INTERDEPARTMENTALS	\$43,762,963	\$41,291,322	\$41,319,790	\$46,405,620	\$46,441,615	\$46,441,615
ALL OTHER	\$41,217,826	\$41,528,498	\$41,517,758	\$44,076,227	\$46,972,016	\$47,813,655
Total APPROPRIATIONS	\$748,398,726	\$737,353,637	\$741,605,339	\$764,493,851	\$786,371,344	\$818,896,271
Surplus / (Deficit):	\$9,801,573	\$0	(\$4)	\$0	(\$15,356,684)	(\$36,032,898)



• 2013 – 2014 Multiyear Report Assumptions				
Gross Appropriations	% Increase		\$ Increase	
	2013	2014	2013	2014
Wages	0.0%	0.0%	\$ -	\$ -
Fringe (health, dental, pension ,etc.)	7.8%	7.3%	\$ 6,648,476	\$ 6,714,126
PC replacement Program			\$ 245,000	\$ -
Supplies	1.4%	0.7%	\$ 72,460	\$ 36,439
Utilities			\$ 641,897	\$ 285,605
Electricity	50.0%	3.0%		
Gas	11.8%	6.0%		
Facilities Maintenance			\$ 900,000	\$ -
Village IMA			\$ 800,000	\$ -
Contract Services (Corr Health, Food Serv)	0.6%	0.6%	\$ 367,763	\$ 382,401
Legal Aid	3.0%	3.0%	\$ 200,574	\$ 226,392
Safety Net	8.2%	8.2%	\$ 2,073,360	\$ 2,242,339
Family Assistance	6.1%	6.1%	\$ 1,528,377	\$ 1,621,455
Juvenile Delinquent Care	3.0%	3.0%	\$ 85,512	\$ 88,066
State Training	-18.8%	10.0%	\$ (571,231)	\$ 247,500
Medical Assistance	10.0%	10.0%	\$ 275,000	\$ 302,500
Foster Care	4.5%	2.1%	\$ 1,098,391	\$ 525,232
Medicaid (2013-51 weeks, 2014-52 weeks)	0.5%	2.5%	\$ 542,467	\$ 2,526,112
IGT (Van Duyn)			\$ -	\$ 6,322,975
Day Care	4.6%	5.1%	\$ 797,198	\$ 922,980
Pre-K, Early Intervention	2.7%	2.8%	\$ 1,239,547	\$ 1,314,009
Distribution of Sales Tax to Municipalities			\$ (4,583,460)	\$ 3,200,800
Provision for Capital per CIP			\$ 1,040,000	\$ (500,000)
Road Machinery Equip			\$ 1,300,000	\$ -
Road Machinery Supplies & Fuel	3.6%	3.0%	\$ 118,030	\$ 101,571
County Road Capital per CIP	56.0%	13.0%	\$ 2,983,000	\$ 1,078,000
County Road Supplies	3.0%	3.0%	\$ 73,843	\$ 76,058
County Road Contracted Services	3.0%	3.0%	\$ 82,807	\$ 85,292
County Road Debt Service	24.2%	37.5%	\$ 1,096,775	\$ 2,107,618
County Road Fringe (health, Dental, Pension)	7.8%	7.3%	\$ 447,524	\$ 447,525
OCC Sponsor Contribution	2.0%	2.0%	\$ 186,140	\$ 189,863
Library (Fringe, Utilities)			\$ 326,387	\$ 364,299
All Other			\$ 1,861,656	\$ 1,615,770
TOTAL APPROPRIATIONS			\$ 21,877,493	\$ 32,524,927



• 2013 – 2014 Multiyear Report Assumptions				
Gross Revenues	% Increase		\$ Increase	
	2013	2014	2013	2014
Sales Tax	2.0%	2.0%	\$ 5,000,213	\$ 5,709,936
Deferred and Uncollectable	0.6%	0.3%	\$ 859,517	\$ 505,150
Federal Aid Health	0.6%	0.6%	\$ 23,023	\$ 24,147
Federal Aid Social Services	4.5%	4.1%	\$ 3,618,256	\$ 3,432,532
St Aid Education	2.7%	2.7%	\$ 587,442	\$ 623,262
St Aid Legal Aid	-19.5%	-24.2%	\$ (320,194)	\$ (320,195)
St Aid Health	0.6%	0.6%	\$ 126,071	\$ 125,916
St Aid Social Services	2.5%	2.6%	\$ 1,145,979	\$ 1,231,920
Fund Balance Structural GAP			\$ (4,586,844)	\$ -
All Other			\$ 67,346	\$ 516,045
TOTAL REVENUES			\$ 6,520,809	\$ 11,848,713
PROJECTED GAP			\$ (15,356,684)	\$ (20,676,214)
CUMULATIVE GAP				\$ (36,032,898)



MANAGEMENT & BUDGET:

Chairman Jordan referred to \$43,216 budgeted for Hyperion and questioned why it wasn't part of the original implementation with PeopleSoft. At the time PeopleSoft was presented, the legislature was assured that everything was part of the overall budget for the implementation of PeopleSoft, including training. Now there is a request for \$43,000. Mr. Rowley said that he does know where to place the blame. It was evident to them that as they planned for the implementation of Hyperion budget module, that goes along with PeopleSoft, that the training costs weren't in place to do it. They weren't fully understood at the time they looked at the overall project. The focus on the initial stages of creating the project was on the PeopleSoft side – financial system side, and this fell through the cracks. Chairman Jordan questioned how many more surprises there will be like this. Mr. Rowley said that he understands that the budget, according to the consultants running is, is on time and on budget right now. Chairman Jordan said that the concern is that the legislature is told something and then later are told that something was realized or something was forgot – it's not a way to run a budget. He asked if all of the costs associated with the PeopleSoft program factored into the budgets or will there be surprises again in the future. Mr. Rowley said that he couldn't guarantee that they have captured everything. To the best of his knowledge, at this point in time everything is accounted for. According to the consultants, we are on time and on budget with the rest of the project.

Mr. Fisher noted that when IT budget was presented, Mr. Beam indicated that the budget from IT's perspective was under budget. There will be some shifts, but overall it is still under budget. Even though there is an increase in training costs, the decrease in the IT budget is more than offsetting it.

Mr. Lesniak said that everyone was well aware that the training issue was raised many times last year when PeopleSoft was discussed. It is something that shouldn't have been missed because the Legislature brought awareness of it.

Mr. Lesniak asked about the Public Health Education being transferred to OMB's budget – understands it may be a better fit with the insurance department and working with risk management, but questioned if reimbursement is lost because it is being taken out of the Health Department. Mr. Rowley explained that reimbursement is not lost because it is grant funded – the County doesn't get State aid out of that position – dollars actually come from the insurance fund. Mr. Seitz explained that the position is in the Health Dept.'s roster, charged to Personnel grant fund, and billed to insurance fund – it is an accounting nightmare. This is to clean up the whole thing – put it in Budget and bill the insurance fund. It is part of the 101 and salary billed back to the insurance fund – it is not grant funded; it is funded through chargebacks.

FINANCE, pg 3-131

Mr. Rowley thanked Karen Carney for her years of service to the County. She retired this year, came back part time to get them through the budget. She is well respected inside and outside of the County.

Mr. Lesniak referred to the Town of Camillus doing away with their tax receiver and asked if the County will be collecting taxes for the Town of Camillus. Mr. Rowley said that the County will not be; the function will be shifted to the Town of Camillus Clerk's office.

Mr. Lesniak referred to retention and asked the turnover. Mrs. Carney said that she had two staff members that took the ERI. An account clerk 3, a new position, was hired to take over those duties and reorganize the office a little. The two retirees were brought back on a part time basis to help train.

Mr. Lesniak asked for an explanation on increased interest and earnings. Mr. Rowley said that he will run a separate spread sheet on it. Basically there is an amount of excess cash to invest and there is a methodology of how they allocated that excess cash amongst the departments. This year more cash is allocated to Finance Department, but the earnings on that cash is .4%.

Mr. Lesniak questioned if some of the "shopping list" for fund balance gets enacted as presented – taking the fund balance down to 8%. Mr. Rowley said that short term it may have an effect on interest and earnings, but the theory behind the fund balance list is that they are maintenance, and capital items that will help us lower cost in the future. The idea is that the money would come back over time through reduced operating costs. Short term -- there would be a dip.

COUNTY WIDE ALLOCATION – PG. 3-51: COUNTY GENERAL OTHER ITEMS:

Mr. Rowley:

- Includes funding for Oncenter and CVB
- Contingency account for Erie Canal Museum
- Memberships and dues
- Village infrastructure projects

358 – was put in county general, but believes that Erie Canal Museum, OHA, in conjunction with the Salt Museum and St. Marie, are something other than authorized agencies and deserve to be in a different part of the budget and funded accordingly

410 – countywide membership/dues for NYSAC, NYS Co. Executive Association, fees for deferred audit

570 - \$3.2 million for village infrastructure program; \$1,497,500 for CVB

825 – Oncenter Complex; missing is \$250k required to pay them under the management agreement – will be adjusting the fund balance resolution. Mr. Fisher said it is a mistake; when the CEO of the Oncenter presented their budget it was for \$1.6 million for operating and \$250,000 for capital reserve required under the management agreement. When the Co. Executive approved the recommendation for the Oncenter, it included both the operating subsidy and the \$250k for capital reserve. Through error, it failed to get into the budget in the proper place. He takes responsibility for it; the Co. Executive recommended exactly what Ms. Toennies and her team requested. Chairman Casey asked if the \$250k is reflected in the \$1,638,425 in line 570. Mr. Fisher said that it is not; there is a fund balance resolution for it. The Ways & Means Committee will have to decide where to put it; there is no ROT surplus. The proposal is to take \$250k out of fund balance, but there can be discussions about that. The Oncenter now expects to generate a surplus this year; will end up with \$300k. It may be reasonable to look at what to do with the \$300,000.

856 – OHA

Revenue:

005 – ROT required to fund CVB and Oncenter Complex

030 – monies collected from vendors to cover cost of 401B plan audits

050 – interest and earnings estimate from OCIDA loans

057 – estimated revenue from writing of stale dated checks

Mr. Fisher:

- Goal this year was to make things more open and more understandable
- Oncenter budget was always in authorized agencies physical budget, but presented with CVB, which was with the authorized agencies financial budget
- CVB wasn't really described on a line that said "CVB"; was on a line that said "contracted client services"
- ROT on revenue side flows through county general; majority of ROT revenues go to finance Oncenter and CVB – it would be more understandable to move appropriation to where revenues flow through the budget
- Centerstate CEO - \$25,000 for regional marketing fund – also lost on authorized agencies list - Centerstate, Oncenter & CVB appropriations, which includes \$22,500 which goes straight to Syracuse Nationals with remaining \$1.45 million for operating budget
- OHA, Erie Canal Museum, Salt Museum, and St. Marie - want legislature to understand they are different than other arts & cultural agencies
- County owns Erie Canal Museum Bldg – State gave to us with condition that County would operate or have someone operate a canal museum there; Fac. Mngmt. Dept. takes care of the building, County pays utilities. They depend on the County – life or death kind of matter
- Encourage Erie Canal Museum and OHA to begin dialogue about some sort of strategic partnership; want to see Salt Museum and St. Marie among the Iroquois be part of that
- Received word from Erie Canal Museum Board that for them to come back to the legislature in Jan., and wait until Feb. or March to receive their money might cause them to miss their payroll.
- Satisfied that discussion will take place, will see some shared services
- Philanthropic organizations – Community Foundation and Gifford Foundation have offered to fund a facility to help the boards come together and both board have agreed to accept that facilitation

Mr. Lesniak referred to OHA, \$45,000 rough increase from what was allocated last year and asked the reason for the increase. Mr. Fisher said that the allocation last year was cut \$10,000 on top of a decrease from 2010. Many agencies made cases for increases; the county accepted this one. It would restore OHA to 2009 level – has a unique role with the County of maintaining artifacts and historical materials. They made case to Co. Exec. that they are different than the arts and cultural agencies that don't have the relationship to the county and counties history that OHA does, and to properly take care of it they would need additional funding. The County Executive's recommendation is based on her agreement that the argument is compelling.

Mr. Lesniak asked about the village infrastructure money late year. Mr. Rowley said that last year it was \$1,350,000; this year it is \$3.2 million; will go to \$4 million next year and stay there (*see attachment a*).

Mr. Lesniak asked of the \$1.45 million, how much goes to Centerstate. Mr. Fisher:

- "None", CVB is funded at \$1.45 million – same amount as last year.
- Centerstate pays internally for rental and overhead
- Other \$25,000 to Centerstate if for regional marketing fund – described on pg. 3-50, 3-53. When budget was originally prepared – it was spent twice in authorized agencies and in this budget – now only in this budget – coming out of line 570
- No other monies in the budget going to Centerstate

Mr. Lesniak referred to Oncenter – didn't include the \$250k, but \$1.638 million is still an increase of over \$400,000 from what is normally done. Mr. Fisher:

- Oncenter Finance Committee come to Legislature when the legislature gave them a loan and additional funding
- They had under requested what they really needed
- This year presented that they really need \$1.638 million – owe County \$900k
- Oncenter has been told that \$1.638 million is the amount the Co. Exec. will request for next 4 years; they need to figure out how to squeeze \$900k out of it

Mr. Lesniak asked when Oncenter presented to Mr. Fisher and Co. Executive, were they aware of the \$300k revenues in the black. Mr. Fisher:

- They were aware that they were making sales estimates more conservatively than they had in the past.
- Wanted them to be very realistic; their forecasts are based on contracts – not what may show up at the last minute.
- Ms. Toennies has reported that there were some concerts that they were not sure would close and brought in some significant dollars
- Not aware of running \$300k in the black at the time of the meeting – were aware that they had sales people trying to sell things and if successful would generate more than the forecast

UNDISTRIBUTED PERSONNEL EXPENSE - pg. 3-55

Mr. Rowley:

- Estimate for OCSPA and Captains that reflect standard wage increase for other contracts in 2012.
- Zeroed out 120 acct. compared to last year – last year reflected amortization of the ERI – proposed non occurring expenditure be paid out of fund balance – will save County 7.5% interest, about \$1.9 million
- Separate resolution to accomplish this

Mr. Lesniak noted that there is no contract at this time; the proposal is that if there is a contract, it comes out of fund balance. Mr. Rowley said that it would come out of budget. Mr. Seitz/Mr. Rowley:

- The two contracts go through 2011
- Estimating a potential contract settlement in 2012.
- ERI payment is proposed to come out of fund balance

Mr. Lesniak asked for a breakdown of the analysis of ERI payment.

Mr. Rhinehart noted that last year an assumption was made that ERI could be financed over 5 years; \$2 million reflected in 2011 budget. Mr. Rowley/Mr. Seitz:

- Have to make a payment this year – by Dec. 15th
- Payment is near \$3 million per year for 5 years
- Have to let State know in 30-60 days whether it will be amortized or lump sum payment

Mr. Rhinehart noted that the proposed 2012 budget takes fund balance to below 10%. Mr. Rowley:

- Fund balance resolutions take fund balance to about 8% of net revenues
- Makes assumption that ERI is paid this year

Mr. Rhinehart asked if ERI is not paid this year and the County continues with financing it over 5 years, accepts all of the proposed fund balance expenditures presented, where would it leave fund balance – would it be around 10%. Mr. Rowley said that it would not be:

- Fund balance needed to fund ERI on a lump sum payment is approx. \$5.8 million
- Would need \$2.5 million for financing
- Only picking up about \$2.5 million out of fund balance for next year
- Would have more in fund balance for a year, approx. \$2.5 million, then have to go back to fund balance to pay it anyway – don't have enough with sales tax and property tax to fund the budgets going forward

Mr. Rhinehart said that they heard that last year and still ended up in the black.

Mr. Lesniak asked how much is needed to bring fund balance back to 10%. Mr. Rowley said that they will run the numbers. Mr. Rowley explained that fund balance is calculated a number of different ways. Comptroller has to calculate fund balance according to GAAP; a reserve is made at the end of each year for prepaids and encumbrances. Mr. Rowley said that when he talks about fund balance, he does not know what those numbers are going to be, so they are ignored. If they are baked into the calculation then the fund balance would be even lower than the 8%. Mr. Maturo said for budgetary purposes, the fund balance sheet does not include prepaids. For GAAP purposes, they have to take into consideration prepaids and treat it as a reserve fund balance. At the time they prepare the financial statements, they already have that money budgeted for, and the expense has already taken place. To include it from a budgetary perspective would be misleading.

COUNTY WIDE TAX: pg. 3-61

Mr. Rowley:

- Estimates for property tax, sales tax and anticipated use of fund balance anticipated into the use of fund balance incorporated into the 2012 budget
- Even with barebones budget proposal, the use of \$4.5 million of fund balance is required to balance 2012 budget
- Fund balance is a nonrecurring source of revenue – must be made up in the 2013 budget
- Line 001 – proposed property tax levy adjusted by unpaid current year tax and payments of delinquent taxes
- Estimates for deferred and uncollectable taxes, as well as prior year tax collections, based on historical data and reviewed with the Comptroller's office
- Anticipate approximate \$12.2 million of deferred and uncollectable taxes; about \$5.9 million of prior year tax collections in the 2012 budget
- County tax levy is \$153.8 million – same as 2011 levy
- Levy does not cover cost of state mandates – short \$22.8 million - has to be made up with our portion of sales tax distribution
- Budgeted \$378 million local dollars in 2012 general fund budget – includes property tax and sales tax
- 47%, \$176.5 million goes directly to pay for state mandates
- Another 31%, \$117.5 million needed for public safety- DA, Correction, Probation, Hillbrook, downtown jail, Sheriff
- Debt service is 4.5%, \$17 million; leaving approximately 67% for everything else –Parks, DOT, all administrative functions, elected officials' offices, Health, and Mental Health depts..
- Line 005 – non real property tax items - \$225.8 million of sales tax revenue estimate
- Estimate 2011 sales tax collections estimates will finish at about 3.15% higher than 2010 actual collections
- This budget has seen sales tax growth of 2.25% above 2011 estimate
- Percentage of sales tax being retained by County from both 3% and 1% portions has increased from 66% in 2011 to 72% in 2012 budget
- Line 082 – fund balance needed to balance budget

Chairman Jordan referred to pg. 3-61 – indication that property tax levy will be \$153,817, but line 001 is \$147,567,818. Mr. Rowley explained that it is the net number – property tax levy, deferred and uncollectable, prior year tax collections.

Chairman Jordan asked if 005, projected sales tax revenues, is what would be retained; Mr. Rowley confirmed that it is.

Chairman Rhinehart referred to sales tax revenues for 2011; Mr. Rowley said that they are estimated to finish 3.15% higher than actual 2010 collections, 2.25% above 2011. Chairman Rhinehart asked what the original forecast was when the 2011 budget was projected. Mr. Fisher said that they forecasted \$192.5 million and the legislature added \$5 million; revised estimate in the budget was \$197.5 million. In answer to Chairman Rhinehart, Mr. Rowley said that he is projecting that collections will finish 3.15% above the 2010 actual. Chairman Rhinehart asked what is the projection at this point compared to the 2011 adopted; where will it finish. Mr. Rowley said that \$203 million is estimated at this point.

Chairman Rhinehart referred to local dollars, \$378 million – looking at a \$35 million increase in local spending between 2011 and 2012 and questioned what makes up the majority of that. Mr. Rowley referred to page 2-53, which gives a good summary of where the shortfalls are:

- State mandated programs are up \$16.5 million – includes loss of \$7 million in FMAP
- Employee related expenses, wages, health benefits, up \$11.9 million
- All other included debt service up \$5 million
- Local dollar revenue increase needed is \$38.2 million
- Baked in revenue decreases of \$4.8 million

Chairman Rhinehart said that \$27.8 million dollars is being used from sales tax to balance the budget. Chairman Rhinehart asked if that is all of the increase for sales tax; Mr. Rowley confirmed that it is. Chairman Rhinehart said that he thought the intent was to use sales tax to offset property taxes. It is certainly not reducing property taxes with 14 out of 19 towns' taxes increasing. Mr. Fisher said that if we didn't use sales tax Onondaga County would be doing what Tompkins County and many others are doing in raising taxes. Mr. Rowley said that if we didn't have the sales tax, we would be asking the legislature to override the property tax cap at this point in time, because there aren't funds to cover these kind of gaps.

Chairman Rhinehart said that in the past the budget included a column that showed what the department heads requested when they submitted their budgets. The legislature was able to look at that and do an analysis, see what was requested and what was recommended. It is not included this year, yet there is \$30 million worth of increased spending. It makes it difficult to look through it line by line, department by department, and figure out why. Mr. Rowley said there is \$16.5 million of State mandated costs passed onto the County. Chairman Rhinehart said that he sees the list, big ticket items, but don't see what was asked for and what was denied. Where departments told "no". Mr. Rowley said "absolutely". They didn't see the value in it because they have been working -- a different approach to budgeting where the deputy county executives are very involved in their departments and in preparing budgets. To have a department give a wish list, it doesn't make sense to have it in the book when it doesn't have any chance of passing. Chairman Rhinehart said he is concerned about when it takes automotive out of the budget – which are vehicles and things that are reoccurring, not one shots. Vehicles are needed throughout the county for people to do their jobs – when \$3 million worth of vehicles is taken out of the budget and it stick it over to be taken out of fund balance or to be bonded for – it adds \$3 million back into this budget. It is \$3 million more that should have been in this budget, if the Legislature doesn't bond or use fund balance to pay for the vehicles, what will be told to the department heads. Mr. Rowley said that they will have to make do with what they have. The amount of cars requested, Sheriff's is a prime example, is exorbitant. It is not a reoccurring amount of cars that would be put in the budget. There are out year gaps that haven't been solved yet; not making a commitment to any departments beyond this year's budget that there will be any vehicles put in moving forward.

Mr. Rhinehart referred to the Deputy County Executives -- is not questioning their work ethic or hard work, but stated that the vehicles, as a necessary part of this budget, should be included in this budget. Putting the vehicles on a sheet on the side, as a separate request says that "we don't need them". Mr. Rowley said that potentially they won't be needed year after year after year. Next year is another budget with another gap to deal with and are not making any commitments in this budget that departments are going to get them. They chose to put all of the capital items, long-lived assets on a fund balance list this year. Chairman Rhinehart said that he understands that with the major maintenance projects, but not with the vehicles. Mr. Rowley explained that this year there is adequate fund balance –it makes sense to fund them out of fund balance this year with the understanding that there is no promises going forward to be able to fund in the operating budget at least in the short term. They may have to come back and put them in the operating budget at some point; may have to ask for more fund balance in the future.

Mr. Fisher said that there were departments that stated that they got cut in 2010 budget and need that money restored plus more. Rather than putting it in the operating budget, some was put into fund balance to avoid the problem where one year there is a surge. When things are put into the operating budget that are not reoccurring, there is a tendency for those things to be put in the operating budget for years to come. They wanted to send a strong message that the special things that are catch up or, unusual, will be isolated so the department knows not to ask for them next year unless there is a good reason for it. To put in an operating budget means that they have to tax for it. They will be evaluated next year, some may come into an operating budget, but hopefully many won't. Chairman Rhinehart noted that the vehicles were taken out of the operating budget and taxes aren't going down, they are still going up. A necessary part of the budget was put aside. Mr. Fisher said that taxes are going down in 5 towns, 14 villages, City; tax rate is going down. Some taxes are going up because of the sales tax agreement reached last year. Chairman Rhinehart said "and the increased spending". Mr. Rowley noted that without any cars in the budget, there is \$4.5 million of fund balance use. Unless the Legislature makes other cuts to the budget, if cars are put back in, it will increase the use of the fund balance to cover that appropriation.

In answer to Chairman Jordan, Mr. Seitz explained that on pg. 2-53, \$4.9 million salary & wage costs are the contractual settlements; \$600,000 is county general estimated salary & wage costs for OCSPA and Captains. Chairman Jordan questioned the increased cost for position reductions \$500,000; Mr. Seitz indicated that he will look into it.

Mr. Kilmartin asked Mr. Rowley to review the anticipated sales tax figure to come in this year relative to the change in the sales tax agreement. Mr. Rowley explained:

- \$27 million includes the increase estimated in collection also
- \$27 million is all accounted for in the budget
- Part of the \$27 million is representative to the increase in sales tax to the county this year as a result of the change is the sales tax agreement

Mr. Seitz noted that part of it is the inflationary increase 3.15%. Mr. Fisher said it is a 6% increase on about \$200 million – about \$12 million is attributable to the increase share from 66% to 72%. Mr. Kilmartin asked about the change in the agreement for 2013 and asked what additional sales tax is estimated to be received. Mr. Rowley noted that they are estimating \$225 million this year; projection for 2103 is \$235 million county share. Mr. Kilmartin asked if it is a result in expected growth in economic activity or is a \$10 million gap the result of a change imbedded in the sales tax agreement. Mr. Seitz said that it is a result of a little growth in the agreement and a little growth in the inflation. Mr. Kilmartin asked if there is any substantial change in distribution from 2012 to 2013, not inflationary or not expected bumps in economic activity. Mr. Fisher:

- The last year that the town receives that money is the 2012 budget
- Towns get \$7 million
- Schools are level
- County gets bulk of increased share
- City gets a tiny amount for the 1%

Mr. Kilmartin noted that if the towns are getting approximately \$7 million in 2012, if everything in the world stays flat and does not change for 2013, the County could expect at least \$7 million in additional sales tax revenue in 2013. Mr. Fisher agreed but noted that it won't affect County taxes much because most of the towns took it as cash this year; about \$4 million was taken as cash. Mr. Kilmartin referred to the \$10 million change from 2012 to 2013, and asked if \$7 million is embedded in there, is the \$3 million the growth factor. Mr. Seitz said that there is a growth factor in there; doesn't know if \$7 million is the exact number for county share – there is growth factor and a sharing formula--\$10 is the combination of both.

In answer to Mr. Kilmartin, Mr. Rowley agreed that the County Executives, proposed use of fund balance would bring the fund balance down to approximately 8%. Mr. Kilmartin questioned how it was determined to take it down from the policy of 10%; what is the comfort level going forward. Mr. Rowley said that it is risky, heard from bond rating issues this year that as our revenue shifts on being more dependent on sales tax, they will be looking even closer at fund balance. Sales tax tends to shift up and down faster than property tax – bonding agencies see it is a less reliable source of revenues in the long term. The county executive made it clear that a fund balance of 11% or 12% on the books was unacceptable and the money needed to be returned to the tax payers. At a point where we are below historical targets and policy and it is going to be risky when going to bond market. The hope is that property tax revenues and sales tax revenues will be a stable source of income

in future years so that there can be continuation of serving bonds and not have bond holders see a lot of risk. It is a risky move.

Mr. Rowley said that an 8% fund balance level as a percentage of net revenue is within the realm of acceptability. Rating agencies understand that fund balance is used when governments are in fiscal stress; they understand that it could go off pre-prescribed targets. Feels a legitimate case could be made in front of the rating agencies as to why fund balance is being used this year. Mr. Kilmartin asked what the plan is to bump the percentage back up. Mr. Rowley said that it will take longer than a couple of years to do it; projecting gaps in years 2013 and 2014 – does not have answers as to how those gaps will be covered. About \$15.3 million gap is projected in 2013; about \$20 million gap projected in 2014. The big part of 2014 is the assumption that the County will still have Van Duyn as an operating unit of government; will need over \$6 million in 2014 to fund it. Mr. Kilmartin asked if the sale to Upstate is not anticipated. Mr. Rowley said that negotiations are still going on.

Mr. Kilmartin questioned when fund balance was last at 8% or in the realm of 8%. Mr. Maturo said that in 2004 fund balance was 8.22%, which was the last time.

Mr. Kilmartin said that if going into the 2013 budget there is 8% fund balance, representing \$54 million, and facing a \$15 million gap in 2015, how is the County Executive's office or Budget office addressing for 2013 in terms of projected adjustments. Mr. Rowley said a large part would be cuts, program reductions; hopes State will come through with mandate relief; hopeful that the economy will turn around a little. He does not have the strategy for 2013 budget mapped out at this time. He noted that taxes have not been raised in a long time relative to the levy; levy has been reduced substantially since he has been here. At some point, with mandates and pension costs, and health costs increasing at unsustainable levels, the levy will have to be looked at. There is a limit to what can be done with the levy now because of the tax cap.

Mr. Kilmartin questioned if it would be a better strategy to try to tackle some of the cuts this year instead of trying to speculate on what will have to be done in 2013 or 2104 and prepare ourselves for then. Mr. Rowley said that the future is pretty unstable, costs of running government are approaching unsustainable levels. It is very risky under the tax cap. If the levy is cut and it can't be sustained, that provides for a structural gap going forward - can't get it back under the tax cap.

Mr. Fisher noted long term things being looked at:

- Van Duyn – if continuation of the kind of reimbursement rates that we have, and it comes back onto county general budget in 2013, 2014, 2105, the risks will be tremendous – will spend \$4 - \$7 million on it. Have to do something about Van Duyn – are moving on it as quickly as they can
- Health Insurance – county employees pay a very low percentage for those costs compared to the private sector, around 14%. Have to find a way for that to go up to private sector benchmark numbers. Need incentives where they can be healthier, reduce their costs and county's with them – subject to collective bargaining agreements
- Collective bargaining agreements – accelerating at 3%, 3.25%, 3.5% - all expire at end next year. If they can get some zeros in future years, then can start to make headway
- State mandate relief – provided example of Sheriff's budget – mandates at jail of 24 hour watch – very expensive. County Executive will continue to lobby the state.

Mr. Fisher noted:

- Economy in this region doing a little better than in the state
- Unemployment rate dropped
- See a lot of investments being made by businesses
- Economic development is the way out of any fiscal crisis – if business continue to do better than rest of economy and economy picks up, then that is the hope

Mr. Rowley noted:

- He watches a number of indicators all of the time; there is a lot of antidotal evidence that things are very bad
- stock market has been thought of as harbinger of things to come – lost almost 600 points in last two days
- lines around the building in the morning for various types of benefits
- a lot of pressure on county government

Mr. Warner noted that in listening to the discussion going back and forth on where to take funds from, whether fund balance or other places, it may be an attempt to display to taxpayers whether it is the executive side or legislative side making the better decisions. It leaves him cautious on how to proceed. He referred to a conversation a year ago where he asked Mr. Rowley about the ramifications of the sales tax agreement and Mr. Rowley told him it would be a wash. Mr. Warner said that \$45 million was taken out of the budget to offset those property tax increases – he never considered that the county would veto. Property taxes in his hometown went up 50% because of it. The town then took \$800,000 of sales tax in cash; property taxes went up another 50%. County property taxes went up over 100% in his town. The County executive doesn't take any of the blame and the town board doesn't take any blame. He has been the target for listening to start with that the issue was going to be a wash. Mr. Rowley said that he did not recall the conversation, but assured him that since day one when they started looking at sales tax distribution, and taking sales tax money away from towns, he knew that it was going to affect the rates substantially. He said that he would have never said it. There was an analysis that showed how some of the rates were going to jump.

Mr. Lesniak referred to mandates – there are mandates in Sheriff Office Custody; there is nothing on all local dollars on the Sheriff's Civil side. It is \$33 million, up almost \$4 million from last year. Yet the Executive office continues to send over the "Navy", "Air Force" and everything else for it, not making any cuts, but just raising local dollars. It is a lot easier to not get 10 votes to put something back than it is to get 10 votes to take something out. This is a \$33 million local funding; there are a lot of things that could be cut out of local dollars.

Mr. Kilmartin asked if the 2% cap is a calculation that is ballpark 2% of the levy, subject to exclusions. Mr. Rowley said that is a pretty good estimate:

- State gives the assessment growth factor, this year it was .74%;
- Pension exclusion amount – anything over 2% of the blended actuarial rate at the state level – this year it was .6%, exclusion was \$1.9 million
- All moot this year – not taking advantage of it because not proposing an increase in the levy

Mr. Kilmartin asked if levy this year remains a \$154 million; 2% applied next year and have to be cognizant of a \$3.08 million increase in the levy next year. Mr. Rowley noted that there is a roll over factor this year under the cap of 1.5% of the levy limit, about \$2 million – can potentially raise levy \$5 million next year. Mr. Kilmartin noted that under a different scenario – took \$14 million from fund balance and applied it to levy, reduced levy to \$140 million, 2% calculation is \$2.8 million. Mr. Rowley agreed but the \$10 million would have to be made up somehow – would have to override cap or take out of fund balance. Mr. Kilmartin said that if we have to be very concerned about busting a 2% levy and pointed out a \$150 million or \$140 million levy. Mr. Rowley explained that it is not so much the 2% limit amount; it is the \$10 million reduction in the levy that he doesn't have going forward into 2013 or 2014 to cover the gap. Mr. Kilmartin said if budget cuts of \$14 million were made, there isn't much gap between a 2% of \$150 million or 2% on \$140 million. Mr. Rowley agreed, but noted that if \$14 million in cuts were to be made, he doesn't know what they would be to be sustainable going forward. Cutting that amount of levy puts the county in a very perilous, financial position. Mr. Kilmartin said if the levy is cut through permanent, structural, sustainable cuts, the cap between \$2.8 million on \$140 million and \$3 on \$154 million is minimal. Mr. Rowley agreed in theory – to cut half the parks or lay off 20 – 30 Sheriff's, then that it sustainable.

Chairman Jordan said that last year there were criticisms or comments on having to find structural cuts. A year later the legislature is presented with a budget which is said to be staying flat, but is shifting certain expenses which would otherwise in the past been considered an operating expense or funding it through fund balance or through borrowing. A year later, there really aren't spending cuts. If anything, there are spending increases. Now being told that long-term projected budget is looking at a \$50 million budget gap for 2013 and another \$20 million budget gap for 2014. It is all the more reason that spending cuts really need to be found. Mr. Rowley disagreed that they haven't done any cuts – Co. Executive is down over 500 full-time equivalent positions; went through a substantial lay off, reductions in early retirement, has cut other places. In terms of cuts, nibbling around the edges any more isn't going to cut it – going to have to look at parks – which ones do you want to close. If substantial cuts are going to be made to reduce the levy, it has to be major – look at parks or substantial layoffs.

Chairman Jordan noted that last year, as part of the budget process, in Health Department there was discussion that while programs were mandated, the level of programs were not. He doesn't know if there has

been much analysis done on the ways of reducing those levels of programs that are provided. There was mention of decreases in the number of positions in the county, which has been supported, but there is budget now that creates a number of new positions. It seems to be going in the wrong direction, creating more positions at time where arguably should be finding cuts not creating positions to increase spending. Mr. Rowley said that there is a minimal amount of new positions proposed in this budget. Each department had talked about the strategy behind those positions. Regarding the Health Department, it is analyzed from budget perspective on a regular basis. It comes down to a policy call in terms of the level of service that is needed to keep the health and wellbeing of the county in a good state.

Mr. Kilmartin said that approximately 6 months ago he sought a report of employees within the county, not by name, but by department and title, as to whether or not they were grant funded or local dollars and asked if it has been created. The only way to really identify local dollars is in part looking at positions – grant or local dollars. He has sought the report multiple times, without it the legislature is totally hamstrung from nibbling around the edges, vs. more substantial cuts without it. Mr. Rowley said that they can provide the information, cautioned on Health Dept., as that is where a lot of grant funded positions reside. They are partially grant funded, multiple grant funded position – very difficult to get hands around it. At that point have to step back and look at what programs are being provided and why. Ultimately, the conversation turns to Dr. Morrow and asks if something is really needed. She has consistently made the argument that, as a medical professional, these programs are needed. Mr. Kilmartin said that he met with Dr. Morrow, who indicated that she would provide the information to him for budget. He hopes someone has been working on this for the entire county for the past 6 months. He is looking for a list for every position in the county, for every department, and whether or not it is grant funded or local dollars. Mr. Rowley said that there is another level of detail that needs to be understood in terms of where the local dollars are. They can provide the data, but noted that once you start getting into it, it turns into a debate about pogroms. Mr. Kilmartin said that he presumes the County Executive's office has done that analysis and presented the priority of programs in her budget. Now it is time for the legislature to try to prioritize those items.

Mr. Fisher said that there is a lot of information in the budget books – some is new, tried to lay out in program profiles what spending is represented. It is not just grant funding, there is federal and state dollars – program profiles show how much of the local dollar budget is allocated to each programs. In Parks, they have shown exactly how much money is in each park. In response to Mr. Kilmartin, Mr. Fisher said that if the legislature wants to cut a program, the local dollars will go – they will figure out which lines come out – can count on local dollars going.

Mr. Warner said that two months ago there was a Health Committee meeting regarding programs and funding, there were questions if whether our county has a Cadillac program even though mandated – the information is in the Health Committee minutes.

Mr. Warner said funding positions in this government, Co. Executive's office – a lot of positions funded from outside the Co. Executive's office. He questioned how to maximize the payment from federal and state agencies from positions. He referred to the legislature's staff – there are people here that are doing work for Health Dept., for public safety, etc., and asked if there are grants available, that if we transferred a percent of the work of people here to the budget of somewhere else where there is actual state funding. He asked who authorizes the percentage and how is it justified. Mr. Rowley said that the legislature, Co. Executive, Finance, are all spread through an indirect cost report, done independently by a firm for the sole purpose of compiling with federal audit requirements and getting reimbursement where it is available in the departments that can comply for it. Relative to who makes the decisions on how much aid is attainable by allocating these costs out, is up to the particular program, agencies, at the federal or state level. Aid is drawn down on those costs. It is determined by private firm as to how costs are spread out. The other piece is interdepartmental expenses – there are overhead departments that the County charges out internally for the same reasons, i.e. IT, Facilities, Law Dept, etc. those expenses for state and federal purposes can be claimed. The trick to passing an audit, and not violating rules and regulations, is that there has to be consistent methodology to allocate these costs.

Mr. Maturo said that there are two ways to chargeback the central service departments like the legislature, Comptroller, Co. Executive, Purchasing. Through the indirect cost plan - an entity is hired to come in and allocate the cost of those departments based on acceptable methodology in order for the County to receive

federal aid. The other way is through direct billing. If billed to direct departments, like Purchasing or Law Department does, it has to be based on an acceptable methodology in order to receive state and/or federal aid. If it is not, there is a risk of the expenses being denied on audit and the County having to pay back state or federal aid.

LAW DEPARTMENT - pg. 3-154 – Gordon Cuffy, County Attorney

Mr. Cuffy presented the following:

The proposed Law Department budget is a fair budget which does not increase our roster nor does it incur any new major expenditures. There is an increase of in our 101 line, primarily due to the adjustments made to the M/C salary schedule, and contractual raises for our CSEA employees. Previously, two attorneys were assigned to work full time on WEP issues, and their salaries were reflected in that department. I requested that those salaries be reflected in the Law Dept. budget. In order to increase efficiency without adding to the bottom line, these two attorneys now will work on WEP issues and other county issues, allowing me distribute resources as needed to support all county operations.

Our Family Court Unit continues to perform statutory duties, appearing in court to try child abuse and neglect cases, as well as appearing on juvenile delinquency, PINS, termination of parental rights and custody matters. Our unit handles all of the appeals and provides legal advice to DSS, which includes over 150 caseworkers. DSS receive state reimbursement for this work which covers 100% of the Law Dept. costs, with the exception of JDs and PINS.

The Municipal side involved in a variety of issues, from the proposed transfer of Van Duyn, to negotiations for a new lease at Alliance Bank Stadium, to efforts to build a Convention Center hotel, the unification of the Police academies, contracts and numerous other projects. You are aware of the successes in our litigation unit, where we have had significant motions for summary judgment decided in our favor, and, most recently, were victorious in a trial on a major contract case, avoiding significant exposure to the County.

Another notable success is the GM Bankruptcy case. As you will recall, our office interceded and filed papers in the bankruptcy proceeding, and in March 2011, in response to our papers, GM agreed to establish a \$70 million reserve to address environmental claims for Lower Ley Creek.

We have accomplished this without seeking any additions to the office, mainly because we have made use of the technology available to us and the use of community resources.

In 2011, we solidified existing connections with SU Law School and expanded our internship program to include area undergraduate institutions and business schools. This past summer, we had as many as 9 unpaid interns working at once, contributing more than 1500 man hours. This has made it possible to keep up with the legal research and clerical needs of the office.

We previously briefed this committee on the advances we made this year with technology. While FOIL demands have tripled in the last three years, the digital FOIL system has provided savings which we estimate will be \$1000 per year in paper, ink, envelopes, labels and postage. However, the more significant impact that it has reduced the time involved in responding to FOILs.

In addition, we have been aggressively scanning our files for digital storage in order to reduce storage costs for hard copy files. We do not have enough staff available to scan the vast volumes of documents generated in this department, therefore, we once again solicited volunteers to provide this service free of charge.

Finally, with respect to Early Retirement, we were asked to obtain a 50% savings, the Law Dept. 's savings was 95%. We achieved these savings by leaving positions vacant.

Mr. Cuffy added that they are pretty much static; the budget is fair with regard to the Law Department.

Chairman Jordan asked if all positions are full time. Mr. Cuffy said that they have 5 part time positions – 4 Assistant Co. Attorney II's in municipal; and 1 deputy county attorney I in Family Court.

Mr. Lesniak referred to the two positions being moved from WEP to Law Dept., and asked if they are going to be charge back to WEP. Mr. Cuffy said that they are; WEP will be billed back for the work.

Mr. Lesniak asked what line the part time employees are being paid out of. Mr. Cuffy said that they are sharing positions, out of 101 line. They are benefit eligible.

In answer to Chairman Jordan, Mr. Cuffy said that there are no vacant funded position and 7 vacant unfunded positions. **Chairman Jordan asked to be provided with a list of those positions.**

Chairman Rhinehart asked about record storage. Mr. Cuffy said that the County now uses Empire. The Law Dept. tries to digitize everything; try to reduce the amount of records that go into storage.

Mr. Warner questioned which positions are charged out to other departments. Mr. Cuffy explained that they had 2 attorneys working out at WEP and were moved back to Law Department's budget this year. There is one attorney, who was previously part time, moved to Van Duyn. Van Duyn is covering 50% of the cost of that attorney. In answer to Mr. Warner, Mr. Cuffy said that there are 27 attorneys in the department; the entire Family Court unit is charged to DSS and is reimbursed.

EXECUTIVE OFFICE: pg. 3-34 - Bill Fisher, Deputy County Executive; Tara Venditti, Budget Analyst

Mr. Fisher:

- By in large the budget is in the 101 line
- Recommend budget up slightly from 2011 - No personnel changes, increase is due to salary schedule
- Total request is \$1,316,755 up \$31k from last year
- Roster – pg 3-39 –no changes
- Co. Executive chose not to have salary increase in 2011 – salary has remained the same since Jan 2008
- Other roster position subject to MC schedule/step increases
- Work of department – mandated largely by Charter and Code
- Work many long hours
- Director of Intergovernmental Relations:
 - title didn't change but focus changed in 2011
 - exclusively now on intergovernmental relations with towns and villages
 - looking at government modernization at all levels between county, towns, villages with purchasing consolidation, buying equip for fire depts., consolidation of tax receiver in Camillus. Working alongside Comptroller
 - finding ways for county to work with towns and villages to reduce government spending and reduce taxes required to support that spending
- one unfunded position – executive secretary, line 9
- 2009 – reduced roster; 2011 – Conf. Information Aide – shared with Management and Budget

Chairman Rhinehart asked what four executive secretaries do. Mr. Fisher clarified that there are three - each deputy county executive has an executive secretary. They also support the rest of the staff – there are a lot of people in and out of the office all day, a lot of phone calls, a lot of correspondence. Where necessary, they also assist the Co. Executive. The vacant executive secretary position is the position that normally supports the Co. Executive. Chairman Rhinehart questioned if the Co. Executive has a secretary. It was noted that the Co. Executive has a Senior Executive Assistant.

Chairman Rhinehart referred to letters of distribution, noting that it is used extensively in the Co. Executive's office. Mr. Fisher said that out of the 12 funded positions, 11 of them receive some support from other departments. Mr. Fisher distributed a spread sheet (*attachment B*) reviewed the information.

- Dep. Co. Exec. - Human Svcs.: 33% is supported by other departments – position spends fair amount of time working on Van Duyn, Mental Health, Medicaid – 11.11% from each area. Salary from Exec. budget \$83,859, remainder is from the other departments
- Dep. Co. Exec – Physical Svcs: 33% spent on WEP; went for a long period of time without a WEP Commissioner. In 2012 it is proposed that 33% is supported by WEP budget, \$39,000. Salary from Exec budget = \$79,819
- Exec Commun. Director: spend more time on certain department that are significant interest to the public – Health, Parks, Aging and Youth. Interface with public, press releases, emails. 20% of the total salary is charged to these depts. \$16,653, 6.67% to each; salary from Exec. budget = \$66,612
- Research & Communications Officer: works with Exec. Comm. Director and also a lot of work with Management & Budget – communicating with public regularly on finance and budget matters; 44% charged to Management & Budget, \$22,799; Salary from Exec budget = \$28,652
- Conf. Information Aide: spends half of her time on DMB; 50% or \$20,440 supported by DMB; Salary from Exec budget = \$20,440

Chairman Rhinehart noted that at the Legislature, there is Legislative Clerk, and the staff is responsible to her more than the Chairman. He asked who the Executive staff is responsible to or if there is an office manager. Mr. Fisher said that he is responsible for the budget; the Deputy County Executive – Human Services coordinates the staff to make sure someone is out front, and that functions are covered if someone is on vacation. The work that interfaces between the Legislature and the County Executive's office is his responsibility.

Mr. Lesniak asked why the budget doesn't show the allocation for salaries and in interdepartmental transfer. Mr. Fisher explained that it is not a transfer; the money gets spent in the budgets where it is shown in the budget. For example, Van Duyn's part of the \$41,930 would be in the Van Duyn 101 line. The money goes directly from their account to the paycheck. It is a letter of distribution. An interdepartmental is done, for example when IT does work for all departments, and at the end of the year their costs are allocated out on a percentage basis. Mr. Lesniak said that is what these positions are doing – a portion of their work as deputy county executive is being portioned out to other departments; questioned why it doesn't get charged out as an interdepartmental expense and actually show what the budget line for actual costs are. Mr. Fisher deferred to Mr. Maturo and asked if it could be run through the interdepartmental expense line rather than 101 line from the departments. Mr. Maturo said that it can be done; that is what is done for the other departments, and prefers that it be done that way. Anytime there is a charge from one department to another it should be based on accepted methodologies. He explained that the Comptroller's office does work for the insurance fund; at the end of the year, the Comptroller's office sends them a direct bill for the auditors' time. Their time is in the 101 and the revenue is recorded as interdepartmental revenue. The remaining salaries then get spread through the A-87 indirect cost plan, where departments may be able to receive federal aid on it. The problem with percentages is that under audit, they will be looking for accepted methodologies on how they were charged out. He is not sure that a percentage, a rough guess, is going to be good enough under audit. There would be a revenue line in the budget. There is a better idea of the total cost of running the department because all of the expenses are seen as well as the revenues that offset them. Mr. Lesniak said it is more transparent.

Mr. Warner asked about legal requirements and if letters of distribution is audited. Mr. Fisher said that he wasn't sure of the legal requirements; there are a number of departments that do this and Law Dept. advises on how to do it. They have been careful to follow legal advice so that it can be claimed. Mrs. Tarolli said that letters of distribution have been used for many years and an audit was done some time ago. Mr. Maturo said that a few years ago the audit staff went out to all departments that direct bill and looked at the methodology; compared it to state and federal regs to make sure it was in compliance. He believes that next year, Mr. Britt's goal is to go back out and make sure we are still in conformance with the methodology.

Mr. Kilmartin referred to the more encompassing departments, i.e. Legislature, Law, Co. Executive, Comptroller's Office, and asked what kind of allocations or spreads are done within the budget for tax purposes, accounting purposes, cash purposes, etc. Mr. Maturo said that there are two main ones: direct bill and A-87 cost allocation:

- Direct bill, i.e. Law Dept. or Purchasing – they come up with an individual bill based on their statistics for each department.
- A-87 Indirect Cost Allocation – i.e. Legislature, Comptroller's office, remaining amount of Co. Executive's office – don't take time to do time studies to charge out directly, can be charged out through an acceptable plan, A-87 Indirect cost allocation, based on statistics of the departments' work.

Ability to run all expenses of these departments through that plan and a bill goes out to each department. The departments that receive federal aid can then claim those costs and receive some reimbursement back. Expenses billed out through indirect cost plan are not eligible for state aid, only federal aid. In answer to Mr. Kilmartin, Mr. Maturo explained that there is an interdepartmental bill with back up associated with it. If there is an audit done by NYS, they have the bill as back up.

Mr. Kilmartin asked which agencies or departments are authorized to use letters of distribution; what is the definition of a letter of distribution; where did it originate. Mr. Maturo said that in the past it has been up to the County Executive's office and Management and Budget. A good example of letters of distribution report is the 12 interns that the County has from Maxwell School. Those positions are in Personnel Department's budget,

but the interns don't actually work there. They may be assigned to different departments. The letters of distribution allows filling the positions in Personnel Dept. and the salaries are charged directly to the departments that are getting the benefit. An intern for Management and Budget is charged to Management and budget because he is working there. Mr. Kilmartin asked why the position wouldn't just be put in Management and Budget. Mr. Maturo said it can be, and it is a cleaner way to do it. The cleaner way would be to take the positions and allocate them to the departments. Theoretically it can be done with any of the positions that are charged through letters of distribution.

Mr. Kilmartin asked as Chairman of Public Safety, if a letter of distribution could be done for himself for 40% of his time to the Sheriff's office, or DA's office, etc. Mr. Maturo said that from the Comptroller's perspective, they want to make sure that the charges are based on an actual allocation – actual data that allocates the salaries.

In answer to Mr. Kilmartin, Mr. Fisher noted that there are no vacant funded positions in the Co. Executive's department presently.

Mr. Kilmartin asked there has been consideration for letters of distribution for each deputy county executive for each department that they touch. Mr. Fisher said that his position would be very difficult because it gets involved in so many departments. The others that are more focused in administrative areas lend themselves more to this. From a gut level you can see that overseeing WEP and the people there and the things that they do. This is more a gut feel than a study; they don't do time studies. They have looked at Administrative Interns and if they should be in Personnel. It was set up that way because they don't always get used by the same department. The department has to have money, but they don't have to create and Administrative Intern position to fill it. By putting them in Personnel, it makes it easy to take those Masters graduates and put them where they are needed if the money is there. Since they are 18 month positions, they come and go more regularly than other positions in the county.

Chairman Jordan asked if there has been any change in the relative percentage of what is being charged to other departments. Mr. Fisher said that this is the same allocation as last year. Chairman Jordan asked how they were allocated prior to last year. Mr. Fisher said it was a gut level. In terms of percentages, he can provide it from 2008-2011

Mr. Kilmartin asked if the Research and Communication Officer is a vacant, funded position. Mr. Fisher said that there is an administrative intern performing that function. When the 18 months run out, and can't have the person in the administrative intern position any more, the person will continue to do the same function, but within the title of Research & Communication Officer. Mr. Seitz said that when DMB brings administrative interns in, there is a management analyst salary funded. When they complete their internship, they go into the management analyst title. The administrative intern is on the Personnel roster, but charged to DMB budget.

Mr. Meyer said that there is another criterion for letters of distribution - three months or longer – and asked if it still one of the criterion. Mrs. Tarolli said that she will look at the resolution from last year. Mr. Meyer said this gets into the definition of temporary--90 days. Also once a person got to the 90 days, the administration, budget, comptroller, was supposed to come to the legislature and advise of those assignments. The resolution recommends that this information be part of the budget book; he was assured by Mr. Rowley that it was going to be. He questioned why it is not in the book.

Mr. Meyer noted that when Facilities Management presented their budget, he asked questions about a number of people doing work at the ball park. It appeared that the spirit of the resolution was violated in that some of the painters and other people from Facilities Management were doing work at the ball park, but the proper expenses were not at the ball park. If there were 3 or 4 painters at the ball park for 2 months, as opposed to having a painter there for 6 months, it was at least violating the spirit of the resolutions and asked Law Department to look into it.

**COUNTY LEGISLATURE: pg. 3-72 – Deborah Maturo, Clerk; Jamie McNamara, Assistant Clerk;
Edith Williams, Budget Analyst**

Mrs. Maturo noted that the County Executive's total recommended budget for the Legislature's is approximately \$2.195 million. It represented a 8.11% increase over the 2011 budget. The majority of her budget is personnel related, leaving approximately 2% to direct appropriations.

The meeting was adjourned at 12:25 p.m.

Respectfully submitted,



DEBORAH L. MATURO, Clerk
Onondaga County Legislature