



Onondaga County Legislature

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WAYS & MEANS COMMITTEE REVIEW OF 2016 BUDGET WAYS & MEANS COMMITTEE DEPARTMENTS September 19, 2016 David Knapp, Chairman

MEMBERS PRESENT: Mrs. Ervin, Ms. Williams, Mr. Jordan, Mr. Kilmartin, Mr. Shepard, Mr. May
ALSO PRESENT: Mrs. Tassone, Dr. Chase, Mr. Ryan, Chairman McMahon, *see also attached sign in sheet*

Vice Chairman Jordan called the meeting to order at 10:05 a.m.

ONCENTER, pg. 3-35 – Kelly Carr, General Manager



Financial Statement Recap FY 2015

Revenue	\$9,402,789
Expenses	\$10,449,691
Subsidy	\$1,300,000
Net Income	\$253,098

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- Finished 2015 with \$253k surplus:

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FY 2015 Highlights

Significant Events – FY 15

- PRL Resources Holiday Party-\$101,000 in new business
- Kevin Hart-Live on Tour-2-shows-\$172,000 in new business
- Life in Color Tour-\$67,000 in new business
- Eastern Wineries Convention-exceeded budget by \$36,000
- American Quilters Society-exceeded budget by \$16,000

Noteworthy Achievements – FY 15

- The creation of three (2) new Life Safety Plans, one for the War Memorial and one for the Convention Center. Working with local experts, SMG created and implemented these plans for the safety of attendees and employees in these facilities. All staff was trained on the War Memorial plan in April. On-going training on the other facilities is continuing to take place.
- SMG was honored by the American Red Cross as the winner for the "Workplace Safety" award in December. Members of the staff pulled a patron from the audience after he collapsed at a concert last summer. The staff, with the use of CPR and the AED, was able to keep the individual alive until paramedics arrived.
- Purchase and implementation of a new point of sale system for all concession stands and bars. Pixel/PAR, a New York company, was selected. The system was installed in September, staff was trained and it was fully operational in time for the start of the Crunch season in October.

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- American Red Cross winner of Workplace Safety Award – staff members revived a concert goer

Financial Statement Forecast FY 2016

	Actual	2016	Forecast	2016	Over/(Under)	Last Year
	31-Aug	Sep To Dec 16	FYE 2016	Budget	Variance	Actual
Attendance	336,817	137,917	474,734	407,352	67,382	470,383
# of Events	341	125	466	371	95	506
Event Net Income						
Rental Income	1,168,706	450,987	1,619,692	1,502,226	117,466	1,201,405
Service Revenue	1,332,447	546,494	1,878,941	1,373,874	505,067	1,617,826
Service Expense	(1,997,780)	-828,210	(2,825,990)	(2,078,378)	(747,612)	(2,482,128)
Total Direct Event Net Income	503,373	169,271	672,644	797,722	(125,078)	337,103
Ancillary Income						
Concession	511,891	247,604	759,495	795,102	(35,607)	750,461
Catering	1,016,165	404,986	1,421,150	1,452,174	(31,024)	1,612,847
Novelty	34,813	-	34,813	28,702	6,111	34,003
Event Parking	225,686	46,770	272,456	367,526	(95,070)	308,966
Total Ancillary Net Income	1,788,554	699,360	2,487,914	2,643,504	(155,590)	2,706,277
Other Event Income						
Other Event Related Income	41,531	86,903	128,434	256,655	(128,221)	77,197
Ticket Rebates	191,508	-	191,508	-	191,508	224,420
Facility Fees	-	-	-	-	-	-
Total Other Event Income	233,040	86,903	319,943	256,655	63,288	301,617
Total Event Net Income	2,524,966	955,534	3,480,500	3,697,881	(217,381)	3,344,997
Other Income	808,508	354,937	1,163,445	1,035,956	127,489	1,220,275
Adjusted Gross Income	3,333,474	1,310,471	4,643,945	4,733,837	(89,892)	4,565,272
Indirect Expense						
Net Salaries, Benefits & Taxes	2,115,273	1,205,968	3,321,241	3,515,872	(194,631)	3,128,115
Contracted Services	116,474	33,000	149,474	99,000	50,474	104,264
General & Administrative	197,005	110,112	307,117	343,123	(36,006)	340,828
Operational	241,547	101,220	342,767	310,859	31,908	322,013
Repairs and Maintenance	4,444	2,667	7,110	8,000	(890)	7,052
Operational Supplies	6,476	3,083	9,559	9,250	309	15,021
Insurance	130,782	-	130,782	191,655	(60,873)	185,528
Utilities	431,512	239,795	671,306	719,384	(48,078)	661,048
Other	413,447	374,217	787,664	760,724	26,940	761,163
Total Other Direct Expenses	3,656,960	2,070,061	5,727,021	5,957,867	(230,846)	5,525,032
Net Income Before Other Income & Expenses	(323,486)	-759,590	(1,083,076)	(1,224,030)	140,954	(959,760)
Other Income/(Expenses)						
Depreciation	(54,696)	-27,991	(82,686)	(75,970)	6,716	(77,166)
ROTS	739,403	561,217	1,300,620	1,300,000	(620)	1,300,000
Total Other Income/(Expenses)	684,707	533,226	1,217,934	1,224,030	6,096	1,222,834
Net Income	361,222	-226,364	134,857	0	134,857	263,074

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- Expecting surplus of \$135k, could be higher depending on remainder of year

FY 2017 Proposed Budget Commentary

The budget for FY 2017 has been created in accordance with current definitive sales and historical trends from 2013-2016.

Sales

For 2017 budgeted sales are between \$700,000-\$900,000 less than 2016 forecasted numbers:

- Loss of events to new Convention Center Hotel
- Decreased Convention activity due to rotation
- Disney on Ice came twice in 2016 (January & December)

Expenses

Operating income is budgeted at 48.9% in 2017 vs. 50.7% in 2016.

Indirect Expenses

We are budgeting 2017 indirect expenses \$92,000 higher than 2016 forecast. This is due primarily to increases in payroll/benefits and new FSLA requirements.

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FY 2017 Proposed Budget Subsidy

FY 2016 Request	
Subsidy	\$1,300,000
Capital Reserve	\$250,000

FY 2017 Request	
Subsidy	\$1,300,000
Capital Reserve	\$250,000

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- Reducing sales numbers - \$700k - \$900k less than 2016
- Requesting same amount of subsidy for 2017

Facility Fee Report FY16-17

	FF - Civic Theater	FF - Convention Center	FF- War Memorial	Total
12/31/15 ending balance	155,956.46	(126,404.99)	94,348.89	123,900.36
2016 Sources:				
Ticket Master	44,771.00	1,202.00	70,383.50	116,356.50
Oncenter Box Office	13,197.30	979.00	(2,784.73)	11,391.57
Interest Income			109.72	109.72
Total Sources	57,968.30	2,181.00	67,708.49	127,857.79
	-	-	0.00	(903.00)
2016 Uses:				
2015 Project into 2015				-
Catering Smallwares			(36,572.08)	(36,572.08)
Parking Garage			(4,597.85)	(4,597.85)
Total 2015 Projects	-	-	(41,169.93)	(41,169.93)
2016 Projects				
Hobart Dishwasher			(19,675.13)	(19,675.13)
Cubicals Upper Admin			(3,379.25)	(3,379.25)
WAM Steel Beam			(32,000.00)	(32,000.00)
Mobile Mini Storage			(3,750.00)	(3,750.00)
Syracuse Tech- Yogas, MS Surface			(9,553.13)	(9,553.13)
Mobile Mini Storage			(3,750.00)	(3,750.00)
Brown's Storage			(850.00)	(850.00)
ADP IATSE Timesheet			(8,800.00)	(8,800.00)
Circle of Image WAM Landscaping			(3,800.00)	(3,800.00)
Total 2016 Projects		-	(85,557.51)	(85,557.51)
Total Uses	-	-	(126,727.44)	(126,727.44)
Cash Balance before Reconciling Items	213,924.76	(124,223.99)	35,329.94	125,030.71
Prior Month Fees not transferred				(4,654.50)
Prior Month Fees not transferred				(283.00)
Transfer to AMP BO				903.00
Cash Balance As of August 31, 2016	213,924.76	(124,223.99)	35,329.94	120,996.21
Forecasted Uses:				
WAM Stage & Furniture			(20,000.00)	(20,000.00)
WAM Wraps			(30,000.00)	(30,000.00)
CV WIFI System			(48,000.00)	(48,000.00)
Total Forecasted Uses	-	-	(98,000.00)	(98,000.00)
Forecasted Cash Balanced	213,924.76	(124,223.99)	(62,670.06)	27,030.71

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- Doing work in War Memorial and Convention Center – new WiFi to assist with events

Capital Reserve Report FY16-17

	2013	2014	2015	2016	2017	2018	2019	2020
				SMG Capital Reserve				
Beginning Balance	102,096.28	308,142.94	209,393.56	137,873.12	85,147.31	210,147.31	210,147.31	85,147.31
Sources:								
Facility Fees Collected								
SMG Capital	250,000.00			500,000.00	250,000.00	250,000.00	250,000.00	250,000.00
Facilities Capital				250,000.00				
Grants/Etc - Dashers								
Grants/Etc - Marquee's								
Interest/Bank Fees	(8.96)	144.42	250.28	367.86				
Total Sources	249,991.04	144.42	250.28	750,367.86	250,000.00	250,000.00	250,000.00	250,000.00
Uses:								
<u>Event Services Equipment</u>								
Catering Equipment	1,512.06							
Theater Mixer & Lights								
Drapes								
Bars								
Projectors and Lamps								
Vacuum & Burnisher								
Micro Terminals	10,635.00							
Signage		9,819.00	7,038.00	12,753.00				
Total Event Serv Equipment	12,147.06	9,819.00	7,038.00	12,753.00	-	-	-	-
<u>IT Equipment</u>								
IT Equipment	7,839.32							
Disaster Recovery System								
IT Computers and Equip								
Total IT Equipment	7,839.32	-	-	-	-	-	-	-
<u>Parking</u>								
Parking Camera/EBS System	4,420.00			227,557.00				
Parking Garage Guardrails								
Parking Garage Office Renovation								

- Ballroom lighting project – had stalled for awhile
- Marquees and other projects that will help upgrade the overall project as a whole

Capital Reserve Report FY16-17

	2013	2014	2015	2016	2017	2018	2019	2020
<u>Convention Center</u>								
Office Wiring & Furniture								
Meeting Room Renovation	19,538.00	89,074.80						
Ballroom Lights				486,783.67				
Harrison Street Lobby								
Restroom Hand Dryers (all venues)								
Gallagher Hall & Atrium Project					125,000.00			
Marquee's						250,000.00	125,000.00	
Exhibit Hall Sound System								
Convention Center Light Project								200,000.00
Total Convention Center	19,538.00	89,074.80	-	486,783.67	125,000.00	250,000.00	125,000.00	200,000.00
<u>Civic Theaters</u>								
Seat Upholstery - Carrier								
Theater Painting/Carpet - Carrier								
Stage Drapes							50,000.00	
Acoustical Panel							200,000.00	
Total Theater	-	-	-	-	-	-	250,000.00	-
<u>War Memorial</u>								
Assembly Hall								
WAM Painting								
Laundry Facility			17,374.50					
Dasher Boards			43,358.22					
Ice Expansion - Engineering								
Security Camera System								
Steel Beam			4,000.00					
Bars for Surge Areas				76,000.00				
Total WAM	-	-	64,732.72	76,000.00	-	-	-	-
Total Uses	43,944.38	98,893.80	71,770.72	803,093.67	125,000.00	250,000.00	375,000.00	200,000.00
Ending Balance	308,142.94	209,393.56	137,873.12	85,147.31	210,147.31	210,147.31	85,147.31	135,147.31

Mr. Jordan:

- Monies from the State as partial reimbursement for expenses of the Miranda Lambert concert – did we ever receive those monies?

Mr. Carr

- We have not received those monies.

Mr. Jordan:

- What is the current status on that payment; any type of written response from the state?

Mr. Carr:

- We have asked and have not received an answer; have not receive any written response.

Mr. Jordan:

- How long does it usually take for us to get reimbursement from the state?

Mr. Morgan:

- It varies; the invoice was submitted, they acknowledged that they received it and would be making payments. It varies when the state pays their bills.

Mr. Jordan:

- Have we gotten any written response?

Mr. Morgan:

- Just initially – they acknowledged the invoice – December of last year

Mr. Jordan:

- Has there been any follow up or communication ?

Mr. Morgan:

- There hasn't been any further communication from the state that I'm aware of – they are aware they owe the money.

Mr. Fisher:

- There has been conversation between County Executive's office and NYS about their interest in ADA parking; parking at entrance to amphitheater is widely acknowledged that it is not a great situation; state has had conversations – would we be interested in seeing some of the money being used to pave so that the experience of folks parking in the ADA lot is significantly improved for next year. It was not a written communication; it was verbal.
- NYS is looking at the overall experience of parking, especially during the Fair; they had so many more people come this year that they ran out of parking. We are in conversations with them about what further investments they might make to improve the situation for people visiting the Fair, amphitheater, or both
- The money that is owed is part of that conversation now.

Mr. Jordan:

- Paving the existing parking space or expanding the available parking space, or both?

Mr. Fisher:

- They haven't ruled out any particular solution; there is a generally accepted problem that, not just wheel chairs, but the older contingent of folks that had a heck of time getting down to the amphitheater. It is not our parking lot, it is the Fair's/NYS's, but we have indicated an openness in thinking about the money they owe us in a broader context of "how do we improve the experience for concert goers and fair goers." Until that gets resolved, the payment in cash, rather than in kind, of the \$119,000 that is owed, will remain unresolved.

Mr. Jordan:

- The problem with that is that it is the State Fair's parking lot. It sounds like their proposal is "OK we'll pave our own parking lot and will use \$119,000 that was going to go to offset the loss that was suffered from a result of the concert. So, I'm not really sure what the benefit to us is except that maybe when people go to concerts at the amphitheater, then maybe, it will be more convenient for them. It is capital improvement that is going to benefit the state. It doesn't seem like a very good deal.

Mr. Fisher:

- Customer satisfaction is one aspect of it. The other aspect is that we retain the revenues from the parking lot except during the Fair. One of the profit centers for the amphitheater is parking; we made a modest profit from it. When customers tell you that this is a really bad experience, you look at whether it makes sense to take some of the cash coming off it to make it a better experience so you can sell more of it next year.

Mr. Jordan:

- Wouldn't this be something that the legislature would have to approve – if allowing the state to use these monies to pave the parking lot instead of reimbursing us for the money we were supposed to be receiving.

Mrs. Berger:

- We would have to look at the details pretty carefully; at this point we haven't been asked to do that

Mr. Maturo:

- Right now SMG is owed \$119,000 from NYS. In order to do what Mr. Fisher is proposing, we would need an appropriation in the budget for \$119,000 to actually make the expense. We would actually be paying NYS to pave their own parking lot
- This isn't a net; you can't net this. SMG is out \$119,000 and needs to be paid. At some point there has to be an appropriation in the budget in order to net this against.

Mr. Fisher:

- I didn't make any proposal; I said there were some conversations around this; this is no proposal pending.

Chairman Knapp:

- For clarification – the money is owed to SMG, not Onondaga County.

Mr. Morgan:

- Correct.

Chairman McMahan:

- Asked Mr. Morgan or Mr. Fisher to talk about how the Amphitheater did in the last 60 days

Mr. Morgan:

- Yourself and Mr. May sponsored legislation in Nov. 2014 regarding the intent to set aside sales tax to support the debt service on the amphitheater in case the casino revenue didn't materialize to the level that it needs to.
- The average debt service on the amphitheater, over 30 years of the bonds, is about \$2.7 million. The actual Oneida exclusivity payments for 2015 were \$2.8 million. We are estimating 2016 payments to be a little over \$3 million, and estimating \$3.1 million for 2017. Right now casino revenues are coming in higher than the average debt services on the amphitheater.

Chairman McMahan:

- The difference goes into a reserve

Mr. Morgan:

- It is already in a reserve. The resolution requires us to appropriate sales tax. Page 5-58, physical services section, you will see a line called "Provision for Reserve for Bonded Debt, in Park's budget for \$150,000; will satisfy Mr. May's intent to set aside sales tax in the event that there isn't sufficient casino revenues

Chairman McMahan:

- Do we have an update on the actual dollars and cents of the operation of the amphitheater? We received a very good briefing from Visit Syracuse on the economic impact – what it meant for our hotels and businesses – growth and revenues for the community.
- One of things that have been overshadowed is that this is new operation/business. Live Nation came to town, SMG hired people that they didn't have to before. What is the impact as far as wages for part time and/or full time jobs that people in our community have benefited from.

Mr. Fisher:

- Last year in the budget the co. exec. proposed that the legislature do something to allow us to operate the amphitheater this year; there is nothing proposed in this year's budget. The county legislature has nothing to consider; the amphitheater will keep running next year without any action during this budget.
- Legislature was asked last year to appropriate \$1.9 million into Park's Dept. grant project. The CFO told you last year that would be used for working capital. A subsidy won't be needed; it's not like the Oncenter where we take \$1.3 million in ROT revenue, send it there, and expect not to get it back. There was no appropriation of ROT, sales tax, or property tax that would support a loss. We said we can do everything we need to do with the \$1.9 million to operate the amphitheater through SMG. The legislature appropriated \$950,000 that could be used out of the grant project; \$950,000 was left in a contingency account. If we wanted to make that available to SMG, we would have to come back and ask for an appropriation from that account into an account where we could spend it.

- Have not come back to ask for anything to be released and have no intention, no need, to ask to move any money out for next year.
- Operated this year with the \$950,000; are in good shape in terms of what we purchased; i.e. LED screens and sound that we will start next season with
- SMG signed agreement with Aramark, who agreed to invest \$1 million into the food and beverage concession equipment in a building that you will see by next season
- See improvements to the seats – Live Nation agreed on their own dime to upgrade the seats that they used for the VIP areas – no county dollars
- Parks Dept. bought a lawn mower and paid the Solvay Electric bill
- CFO, acting on the contract with SMG, authorized the transfer of \$850,000 in cash out of the \$950,000
- There is \$77,000 left in grant project; the other \$23,000 has been spent.
- Lawnmower is an asset, under the \$25k capitalizations threshold; Parks is planning to buy another lawn mower – sometimes when you buy more than one thing, the accountants determine that you have to depreciate it. We don't know if that will be fully expenses in 2016 or given that we are going to buy another one, getting us over the \$25k threshold, we don't know if we will have to depreciate it.
- The other \$850,000 went to SMG and they used it to operate the amphitheater – purchased LED and lawn sound. They are assets that need to be depreciated. Before we finish books for this year, we have to determine what depreciation rule will be applied – it will have to be pulled back into the county financials and will expense the depreciable portion of that purchase in this year's rendering.
- SMG took the cash and hired people – stage hands; union agreement with International Alliance of Theatrical Stage Employees (IATSE). They hired IATSE, made the payroll for IATSE out of the \$850,000, then billed the promoter for IATSE costs. The same thing happens with ticket takers and box office personnel, county sheriff employees, Westcott Security, etc. – all got paid out of the cash that the CFO transferred over at the beginning of the year.
- We have been keeping an eye on the 3 profit centers:
 - The shows themselves -- we receive certain license fees, which are paid on a season long basis; SMG bills Live Nation for the services provided to them. Some things don't get billed to Live Nation - those are expenses that aren't reimbursable. i.e. SMG hired an event manager and an operations manager. That payroll gets billed to the amphitheater; money transferred to them was used to make that payroll. Also, money that is associated with Oncenter employees – a certain amount is estimated to be paid for their time and is paid out of the \$850,000.
 - Food and Beverage: SMG hired Aramark and SMG is entitled to retain a small portion of the gross receipts from food and beverage and that generated certain monies. That profit center operated slightly in the red. In large part because we had to rent equipment this year that will be purchased for next year. We are hoping to turn the food and beverage center into the black next year.
 - Parking: parking lot is rented or leased or licensed from the state; state is entitled to a portion of the net income. After we pay the state their share, there is still some net operating income.
- When you add up the profit or loss, and after you have allocated all of the indirect expenses that are paid out to SMG for all of the overhead and indirect labor they have put into it, there will be a profit this year
- That is earnings before any tax, which we don't pay; we have to depreciate the assets – based on the depreciation estimates that we have received from SMG, we expect that we will still be in the black--in the neighborhood of \$100,000 that we will net

Mr. Maturo:

- As far as depreciation is concerned, this is a governmental fund. It is not an enterprise fund.
- All capital projects in governmental funds are expensed in the year that we buy them; they are not set up, they are not depreciated, they are expensed.
- To take those assets and run them through the current year's operation is proper. Those are expenses of 2016.
- At some point, when all is said and done with the amphitheater, any revenue or amounts left in bank accounts, will have to be pulled back into the grant fund and recorded as revenue. At that point in time you will see what the expenses were in the year and what the revenues were. We don't have a choice in that. That is the way it is established; it is the way it is set up. It is what we will have to do for our independent audit at year end.

Chairman McMahan:

- If it is an enterprise fund or private business, you buy the capital and you get to keep it on your books as an asset, and each year it gets depreciated to a certain number.

Mr. Maturo:

- That is in the private sector

Chairman McMahon:

- Are you saying that in this case you can't keep the LED lights on the stage on the books as an asset, because of the way we do it. You have to take the one-time expense of it against the numbers.

Mr. Maturo:

- That is right – if you look at any asset acquisition, even the \$50 million amphitheater, those expenses are recorded in the county's financial statements in the year that the expenses are made.
- Do we take fixed assets and pull them out at fund level or the entity-wide level that we have to put in there – absolutely we do that, but that's not the accounting at the fund level.
- That's what we are dealing with here – the accounting at the fund level.

Mr. Jordan:

- Oncenter – interdepartmentals charges of approx. \$1.2 million – what does that entail?

Mr. Morgan:

- That's Facilities support of the Oncenter – chilled water and heat is a big portion; work that the Facilities Dept. does from a maintenance perspective

Mr. Jordan:

- It is not reimbursed from the Amphitheater.

Mr. Morgan:

- Agreed – it's part of Oncenter; nothing to do with amphitheater

Mr. May asked Mr. Maturo:

- For clarification you said some of the assets are pulled out of the fund level and he asked for examples

Mr. Maturo:

- Actually it is all assets; have a requirement in the financial statement to report the operations at the legally appropriated level, which we call the fund level.
- Then we are required by Generally Accepted Accounting Principles to take all of those funds and treat them as if we were a private entity – pull out all fixed assets, record depreciation, record long term receivables, everything that is not recorded at the fund level. Then we are required to re-state the financial statements as if we are a business. Everything starts and ends at the fund level. After that, that is what we report at year end, and that is what we are audited on.

Chairman Knapp:

- Amphitheater – Aramark will build these facilities – how long is their agreement for?

Mr. Fisher:

- A 5 year agreement that began Jan. 1st and goes through Dec. 31, 2020; there is a 5 year renewal term that SMG can elect that would take them through Dec. 31, 2025

Chairman Knapp

- They put \$1 million of facilities and equipment on our property, how do we maintain it and what happens at the end of the term we decide to go a different direction – how does it work?

Mr. Fisher:

- 3 components of the \$1 million: \$250,000 went into the point of sale equipment – 150 or so – operated by SMG employees and by non-profits; that is owned by Aramark, but used at the amphitheater
- There are contract terms as to what happens after 5 years and we or they don't renew.

Chairman Knapp:

- I'm more concerned about the fixed – the building

Mr. Fisher:

- The building is ours – it is budgeted at \$400,000; the other \$350,000 goes towards equipment
- If the equipment goes into fixtures of that building, that's our property. If it's equipment that can go away, then it is treated as the point of sale equipment.

Chairman Knapp:

- If it's an immovable asset within the building, they will turn it over to us?

Mr. Fisher:

- It's ours in the first place – we have to build that; Facilities and Purchasing will have to put out bids on it. Aramark pays for it – have transfer \$500k or so in cash – sitting in a restrictive account that SMG has

Chairman Knapp:

- How many people were hired to work at the amphitheater?

Mr. Carr:

- It depended on the show and amount of people – between 200 – 300 employees/night.

Mr. Fisher:

- Aramark hired 200 per night.

Chairman McMahon:

- Asked for the payroll number – your company won't have problems giving it out?

Mr. Carr:

- We can give you the SMG employees.

Chairman McMahon:

- Naming rights on lawn and one other section -- eventually as the building exists, it will need upgrades and repairs. The naming rights seems like the place to get a favorable deal done—the amphitheater was highly successful in its market place this year – should be done soon I would hope. I would support putting those funds into a capital reserve account. Where are we and how active are we with it?

Mr. Fisher:

- 3 naming rights sponsors at the amphitheater this year – anything that names any county property, SMG participates in along with Live Nation – at the sales level and revenue level
- Contribution from the naming rights to the law – purchased by Express Mart, was part of our events P&L; the naming right of the box office – went to Visions Federal Credit union – was sold jointly and retained—contribution margin 50% by SMG
- Live Nation retained exclusively the naming right of the concert series – Toyota
- There are several other naming opportunities that we didn't close this year; the biggest being the naming of the amphitheater itself. It is a priority for the off season. There is also the Event Center or VIP Club, gates and different areas that could be named.

Chairman Knapp:

- Oncenter – loss of events to convention center hotel?

Mr. Carr:

- Already seeing losses in the 4th quarter of this year – we expected that; did our best to mitigate the circumstances
- Looking long term of changing the overall model of the Oncenter from what is currently considered more of a civic center to a true convention center – with the assistance of Visit Syracuse and downtown hotel
- Primarily local, social business that is leaving to go to the hotel

Chairman Knapp:

- Update to the marquee and War Memorial?

Mr. Carr:

- Working with Purchasing for issuance of an RFP – for entire facility – update both sides
- 4 – 5 new marquees throughout the facility, which will include 2 on the War Memorial, perhaps 1 at the will call window – corner of Madison & Montgomery, 1 for the Civic Center, 1 possibly at the corner of Townsend and Harrison

Chairman Knapp:

- What is the time line?

Mr. Carr:

- We are hoping as soon as possible.

Chairman Knapp said that when FFA was here, he heard comments about wishing the marquee was up so they could advertise. The feedback was that they had a great time; and he appreciates all of the work Mr. Carr and his staff did to put it together.

FINANCE, pg. 3-79, Steve Morgan, CFO; Tara Venditti, Deputy Director - DMB; Phil Britt, Deputy Director, Financial Operations; Don Weber, Real Property Tax Director

Mr. Morgan:

Finance Administration:

- Overseen by Mr. Weber – Real Property Tax Department
- Main role is to collect delinquent taxes, revenue owed to the county – manage those funds in Treasury until they are needed to pay county’s bills
- As a part of our tax collection responsibilities, we also run an installment program for the repayment of back taxes and, as the last step in the enforcement process, we auction tax delinquent property if it gets to that point
- Legislature approved \$600,000 in 2015 to support a new delinquent tax collection software application. The software is meant to provide for the standardization and modernization of property tax collection software across all taxing jurisdictions along with the modernization of current delinquent tax collection software utilized by the County.
- As an update, the data conversion of our historical delinquent tax information is complete and was very successful. 2016-17 school tax bills were also converted successfully. Right now we are working on system enhancements to tailor the software to our specific needs, building reports, and redesigning letters (including the tax bills).
- Upcoming work will include such things as PeopleSoft integration and website development. We hope to have the implementation completed by June 2017.

Division of Management and Budget:

- Budget Office is involved in the preparation, monitoring, and enforcement of the County’s now \$1.3 billion budget. In 2015, we restructured the division to dedicate resources to launch and implement the County’s performance management initiative, OnWard. OnWard team did a presentation last year at the budget review. This initiative, when fully developed, will provide us with the necessary information to evaluate the cost and effectiveness of each program that the County provides to improve them and guide investment decisions. With the help of department leadership, our OnWard Performance Management Team completed Phase 1 for all participating County Departments. This involved guiding departments in creating a mission and vision and department level, long-term Goals. You’ll find a lot of these in the budget book this year – most departments have redeveloped missions, visions, and long term goals.
- 4 phases in this project – started at the high level and gotten through most of the departments – will continue to update you, as we move forward

Division of Financial Operations

- Phil Britt is now the Director – came from Comptroller’s Office
- Division currently supports a number of departments from a fiscal operations perspective and continues to streamline processes to become more efficient
- Not recommending centralizing additional fiscal operations in the 2017 budget; hope to fold in more departments in 2018
- Support all Human Services Departments, most of the administrative and financial departments; have not looked to pull in the physical services departments yet – will focus on in 2018
- The proposed budget to support the Finance Department is \$9 million; about half is direct expenditures and half indirect appropriations
 - \$7.5 million, or 83% of the finance budget is for wages and benefits
 - Most of the rest of this budget goes for expenses tied to our tax enforcement programs—to advertise delinquent properties and the auction, pay for title searches and process serving fees, and so forth.
 - Revenues are generally in line with this year’s levels aside from the sales of property. We’ve historically budgeted this revenue at \$175,000, but have recently experienced strong property auction sales and have included additional revenue in the 2017 budget.

Mr. Jordan:

- Between 103 and 101 lines – decrease roughly of \$340, and there is an increase of almost \$412k for employee benefits and interdepartmental charges

Mr. Morgan:

- The benefits across the board are going up; for most departments even with a decrease in salaries you are going to see fringe benefits popping up
- Looking at roughly a \$10 million increase in health care costs alone between 2016 -2017

Chairman Knapp:

- I know that is something we are looking at – has there been any progress finding out what the spike is?

Mr. Morgan:

- Consultant and provider, Pomco, are working with us. We have a pretty good idea of what is driving the costs, but there are still some pieces out there that we are still trying to analyze and get a full picture.
- Knows there has been a significant spike in high cost claimants – we have 5 end stage renal cases, which are very expensive; 14 or 15 people dealing with cancers; admissions to hospitals are way up – really seeing the population is sick and utilizing high-cost services. That is a part of it; still a piece out there that we are trying to define.
- 2017 is the last year of the contract; will be going out to RFP towards the end of this year, as it is such a long process

Chairman Knapp:

- Is there any kind of stop loss type insurance that we could purchase?

Mr. Morgan:

- There is; the problem is that at this point in time, they would exclude all of those high costs.
- We have talked about it briefly – will probably examine it as we go forward

Mr. Fisher:

- In this administration there hasn't been any stop loss in the health care.
- There is a lot of change in the health care system – hospitals are starting to take on more risk; insurance companies are working with hospitals in different ways.
- Having conversation with 3rd party administrator and with hospitals and systems in the area
- Had some good years where it didn't go up as much as medical inflation is going up, but seems to have caught up with us all in one year

Mr. Jordan:

- Sales of property/compensation for loss – a pretty significant increase in that line

Mr. Morgan:

- It's when properties are auctioned off; the goal is to get the amount of the back taxes that are owed. When we exceed that amount, we are allowed to keep those funds
- Typically budget \$175k for years, but have seen it year after year exceed

Chairman Knapp asked for the amount year to date; Mr. Morgan explained that they haven't had an auction yet.

Mr. Jordan:

- Increase for \$50k for abstract title service?

Mr. Weber:

- We do an title search for every delinquent property; have done more in the last few years – it was represented as two different lines in the past.

Mr. Morgan:

- A positive of \$50k and a negative of \$50k in all other expenses – shifting the expense to the right account

Mr. Jordan:

- Proposing transferring positions from the Comptroller's office, two account clerk 2 positions to your office – what is the rationale for that?

Mr. Morgan:

- There are 4 position being transferred to County Personnel and two account clerks transferred to Financial Operations.

- The work that will be done in Personnel – the basis is that it can be done with two less people – those people will be transferred to Financial Operation instead of Personnel Dept.

Mr. Jordan:

- What are the current duties of the persons holding these positions.

Mr. Morgan:

- I believe they work in the payroll division in the Comptroller's office.

Mr. Jordan:

- Do you know specifically what their duties include?

Mr. Morgan:

- They process payroll.

Mr. Jordan:

- What do you mean by processing payroll?

Mr. Morgan:

- They review reports, they make changes in GENESYS to wages, carry out garnishments – those types of things.

Mr. Jordan:

- Do they make sure the charges are appropriate charges?

Mr. Morgan:

- Appropriate? I don't know – I don't do their job, so I don't know specifically what they do.

Mr. Jordan:

- I'm not sure why the executive side thinks it's appropriate to move these positions over if they don't really know precisely what these individuals do in their day to day duties.

Mr. Morgan:

- I said that I didn't know; Mr. Fisher could probably weigh in on this.

Mr. Fisher:

- One thing we can say is that work will change when the mainframe software product, GENESYS, is replaced by the online system, ERP system, called PeopleSoft Payroll.
- We have a very good idea of what that work is because the System Integration Team has been working with the team that does the payroll now in GENESYS, and that team has a pretty good understanding of the work they are going to be doing with the new system because they are being trained on it for more than a year.

Mr. Jordan:

- Specifically what duties will the PeopleSoft program replace or do on behalf of the persons currently performing these duties for the Comptroller's office?

Mr. Fisher:

- The payroll system works off of a time and attendance system called Kronos; so they don't really, I don't think, get into whether something is appropriate. As long as someone has worked the hours, I think they get paid. I don't think anyone says "*they didn't work hard enough*" or something like that.
- The Comptroller's Office, the departments that employ these folks, Personnel Dept. all have access to Kronos, and they see time and attendance records and they look at "*did they properly sign in/sign out; are they entitled to the sick leave that they are claiming; are they entitled to vacation and all of that stuff.*"
- A lot of that work gets done by Personnel already because we have been moving the HR and benefits administration from departments where that work was done into the Personnel Dept.
- We have also been moving the payroll clerk work into the Personnel Dept. The idea is that the payroll processing, and if you go look at the GENESYS manuals, that's what it says Comptroller's office does. I can show you the GENESYS manuals that have been used for almost 30 years to train folks. That work will be very different.
- Some of the work today is administered by folks in Comptroller, like administering the 457 retirement plan, we have been advised is more properly done by a benefits person.
- There is work that in a PeopleSoft environment doesn't get done by the people working on the payroll pay sheets, as they are called, or the payroll calculations, or payroll reports, or the posting to general ledger. That work will go to people already in Personnel and not be done by the group that is led by the payroll auditor position today.

Mr. Jordan:

- Did you have a discussion with the Comptroller's office to dovetail this to make sure you are all kind of on the same page?

Mr. Fisher:

- Sure.
- The individual, who is the payroll auditor, I don't know if we want to give the names or not, has been working with the team for a very long time and she has been preparing to do this work and have her team do this work. She is at meetings every single week.
- Higher level folks in the Comptroller's office stopped participating in these meetings last April – their own choice; but, presumably, that person that works for higher level folks at Comptroller's office was keeping them informed of what was being planned.

Mr. Maturo:

- Mr. Fisher has no idea of what we do in the Comptroller's office – none whatsoever
- Right now, the 6 people that you want to move out of our department, as we speak, are pre-auditing over 3,200 payroll transactions for this Friday, and tomorrow they are going to be at it again.
- I invite any of the legislators, if they would like, to actually come over and sit down with our staff and see what they actually do. Because Mr. Fisher doesn't know what they do; Mr. Morgan doesn't know what they do; and I will go out on a limb and say that Carl Hummel doesn't know what they do.
- Our job is to pre-audit payroll.
- If you want to hang your hat on PeopleSoft coming in - first off, we have been going live with PeopleSoft for each of the last 4 years, and next year will be the 5th year we are going to go live with PeopleSoft.
- Did I stop attending meetings – absolutely I did. When they would meet behind closed doors and come up with some ridiculous go live and then try to meet it. I wasn't going to play that game anymore.
- I will tell you that if HCM is anything like PeopleSoft Financials, we will not only need those 6 positions, we will need more positions to verify this payroll.
- PeopleSoft is a horrible system. We put it in on the cheap; it doesn't work, and that's the bottom line.
- If you want to hang your hat on something that might be coming, on something that might work, then be my guest, but I'm telling you, this is not the way to go.

Mr. Jordan:

- What does pre-audit mean? I'm not an accountant, so I'm not really sure what exactly it refers to.

Mr. Maturo:

- The main function of the pre-audit is that anything that is entered into the payroll system, be it by Personnel, be it by the departments, or anyone, has to be reviewed by our departments to ensure that it is correct. Anybody could make a key punch error.
- *We don't look at the information that comes from Kronos* (referring to Mr. Fisher's comment)? Absolutely we do. Absolutely that runs through the payroll.
- We had someone that was supposed to put in for 4 hours overtime, and they put in 400 hours of overtime.
- They have no idea of what we see on a daily basis. This is our function; our function is pre-audit over 3,200 payroll transactions every 2 weeks. They want to take all 6; and they expect one person to actually audit. The ironic part is that the person they are leaving in our department, doesn't audit the day-to-day payroll. She does something at a much higher level than that. It's not even that position.
- We have seen earlier today where they have tried to be accountants, and they are not accountants. Now they are trying to be auditors, and they aren't auditors.
- We are the County Comptroller's Office. We are a county-wide elected official. We answer to the taxpayers of Onondaga County, and what you want to do is strip that from our office. You want to hang your hat on something that might come.
- If you want to bring in PeopleSoft, and we get PeopleSoft actually up and running, and then you want to review what the procedures are – absolutely we are all in favor of that. But to do that know – that would be nuts.

Chairman Knapp:

- Obviously we are going to have more discussions on this as we go forward through other parts of the budget, etc.

Mr. Kilmartin:

- Interaction between the county and the towns – it is my general understanding that if there are tax delinquent properties within a town, that the county has traditionally for many years, acted as a backstop for them and made certain that the town gets paid those taxes/gets reimbursed

Mr. Weber:

- We make all of the towns, school districts, and village whole. They will never have a budget shortfall. If there are any uncollected, we pay them the difference and we assume the collection.

Mr. Kilmartin:

- That has been my understanding. Do we have any sense on an annual basis, ballpark, of what those numbers might be collectively for the towns, villages, and school districts, and then individually.

Mr. Weber:

- It is about \$25 million that we make them whole collectively, each April 1st. Not so much the towns, they kind of make themselves whole because they collect first and pay us any excess money. Each April 1st we are really paying the school districts and the villages. It is pretty steady – around \$25 million.

Mr. Kilmartin asked Mr. Weber, subsequently, for the information to be broke out into towns, villages, and school districts – what the general breakout is.

Chairman McMahan:

- We hold them harmless, meaning that we pay them the bill for what they should have received in property taxes. Then we are the collection agency for which we are not 100%

Mr. Weber:

- We get close, but we also collect all of the interest

Chairman McMahan:

- We have auctions because of tax delinquent properties. If we didn't hold the towns harmless, they would have to have the auctions.
- This is a tremendous benefit to the towns that we provide – it sometimes gets lost in translation for many of the discussions.
- **Would love to know the percentages that are not tax collectible and get a ball park number over the last 5-6 years of what we have had to do; what the cost to the county has been to the benefit to the towns and the school districts.**

Chairman McMahan asked the Finance office of the Comptroller's office to figure out that number over the next few weeks.

- It is good information for us to have when we are talking to various town boards throughout the county.

Mr. May:

- More of a point of order for this and virtually every other department or process that we are looking at: It is important to make clear that we don't want to do anything at this point; we don't know what we are going to do. We are looking at the county executive's proposed budget. We will decide as we deliberate on this stuff. It is important to make that clear, as we undertake the rest of these proceedings.

Chairman McMahan:

- I'm assuming Mr. Maturo that when you say "you" or "we" you are not talking about the legislature, but to the other individuals.

Mr. Maturo:

- Absolutely. The people who made this proposal in the budget have not communicated at all with the Comptroller's office. They assumed that they know what we do, and they don't. Mr. Morgan was honest – he doesn't know what we do over there.

Mr. Fisher:

- We absolutely have been in communications with the person leading the payroll group. My understanding is that she spoke to the Comptroller this Spring, and he was very upset about it.
- You should ask him if he was made aware of this plan in the Spring, because I believe he was.
- We also are focused on how the work will be done in the future. It is not the plan to take the way it is done today and do it in PeopleSoft. That is the wrong way to do it.
- We are also looking at the efficiencies – there will be one fewer position in county government doing this work. So please also consider the efficiency in the budget in a year when we are looking for every efficiency we can find.

Mr. Maturo:

- My suggestion would be to wait until the future gets here, because the future being PeopleSoft isn't even close.

Chairman Knapp:

- There will be several points where we can bring this up – hearing antidotally – retirement incentive – the appointments are booked solid for the state counselor.

Mr. Morgan:

- We are actually trying to bring in more – make more available because they have been booked solid.

Chairman Knapp:

- How many appointments were made available?

Mr. Morgan:

- I think 140 were made available; Carl Hummel is trying to add more resources to try and get more people's questions answered.

Chairman Knapp:

- Have we seen any hard submissions yet?

Mr. Morgan;

- I'm not sure – have heard people express that they are definitely going to – whether they have submitted the documents or not, I don't know.

Chairman Knapp:

- Consolidations with various departments- we are seeing the corresponding decrease in those other departments. Aside from the payroll issue – what other departments are you looking at for 2017.

Mr. Morgan:

- Nothing. The MWB proposal will be spoken about during that time. From a financial operations perspective, we are taking a year off. It is a division of roughly 60 employees now. We are still fine tuning the processes we used and trying to really get settled in our functional areas and put together best practices in those areas.
- We are going to take 2017 off from folding any more operations in and then we will look to get back at it in 2018.

Mr. Fisher:

- We are also looking at doing some things, and I think we are able to say that we are working cooperatively with the Comptroller's office on this, there is a lot of payment processes that are called straight claims. We are looking to do two things: One is to make sure the departments and the department heads have approved those claims before they get to Comptroller because we are guilty of sloppiness sometimes. Where there is not a contract that has the right date, or there is not some other issue. We have changed the way it gets processed so that when it gets to Comptroller's office, it is cleaner and they don't have to spend as much time correcting errors that come out of the department. There are also straight claims where there is a lot of paperwork involved – a lot of these processes that are used to pay for mileage or telephone bills, that sort of thing – we are trying to work to automate that so that we can make that a little more streamline than the current process.
- There is a lot of examination from the beginning with the requisition, all the way to the payment. We are looking at the procurement card changing. I believe the Comptroller is still committed to being part of a steering committee that we will be starting up so we can move more towards electronic payments. Our new P-Card vendor promises some rebates that will hopefully help to pay for some of these efficiencies.
- There is really a lot of work going on to kind of consolidate the changes we made in all of these departments.

Chairman Knapp:

- We approved Don Weber being able to assist Madison County; what is the status of that; how is it working out?

Mr. Weber:

- It's been going fairly well; they have a fulltime staff there that does the day-to-day work and they are in contact with me when they do need technical support. They have one full-time employee that works in the treasury department that is now the real property supervisor, so she does the day-to-day operations.
- It hasn't been a heavy burden.

Chairman Knapp:

- They are reimbursing us for your time, mileage?

Mr. Weber:

- Yes

Chairman Knapp:

- Can you plan on continuing; they want you to continue?

Mr. Weber:

- I have not heard otherwise.

Mr. Jordan:

- There was hope that 350 would take advantage of the retirement incentive – do we have a sense right now of how many?

Mr. Morgan:

- 341 people took the early retirement incentive back in 2011 – that was more valuable, as it got people eligible when they weren't
- Think this will be more in the 200 range possibly

Mr. Jordan:

- Some departments have indicated that they have a number interested; don't know if that information gets back to you to give you a sense of how many people have indicated

Mr. Morgan:

- Mr. Hummel told me that the state retiree counselors are saying that about half the people they have seen are strongly leaning that way; I estimate 200 or a little less.
- There are 800 eligible and 400 likely.

Mr. Fisher:

- CSEA incentive allows you to lock in your health insurance at 12% in retirement – seems to be a popular component
- Mentioned at Ways & Means Comm. that the county executive would like you to think about whether to offer something like that to the M/C employees – the feedback was strong that 12% seemed like the wrong number
- Law Dept. has drafted a resolution that would take the current M/C retiree contribution, 15%, and lock that in. That can't be done without your OK. The current policy only applies to current retirees and is subject to your change. If you wanted to change that you could, but if you wanted to make a commitment to the folks retiring this year out of M/C positions, that they would have 15% throughout their retirement, you would have to vote on and adopt it.

Chairman McMahan:

- The retirees of the class of 2016 could get locked in at 15% and retirees from previous years...decisions need to be made smart because health care costs are driving all of the budgets
- Can't just individually look at it – making everything locked into 15% globally for all of our retirees makes zero sense

Mr. Fisher:

- No – it wouldn't be for all – just for the folks that retire between now and Dec. 31st.

Chairman McMahan:

- There's no potential labor issue with that?

Mrs. Berger:

- Because it's only applying to M/C, the labor issue is not the same.
- If you were to try to open it up to other bargaining units, it would be a potential issue; it would have to be bargained.

Chairman McMahan:

- Are you sure 15% is even the number for M/C health care?

Mr. Fisher:

- M/Cs who have retired pay 15%
- Active M/Cs pay more than that today; with many of the unions going up to 20%, I think the co. exec. would be supportive if you want to look at M/Cs going forward - perhaps in conjunction with their compensation

- CSEA got raises in 2014, 2015, 2016, 2017 and in that period M/Cs have received only step increases which are about 1.2% per year.

COUNTYWIDE FUNDS:

County General Other Items – pg. 3-33

Mr. Morgan:

- Includes funding for the CVB (now Visit Syracuse), Erie Canal Museum, OHA, the County's memberships and dues, and our contribution to the Village Infrastructure fund
- Contractual Expenses account includes \$6,435,000 as follows:
 - Village Infrastructure Fund - \$4.5 million
 - Visit Syracuse - \$1,910,000
 - Syracuse Nationals - \$25,000
- OHA is funded at \$173,325.
- Erie Canal Museum is funded at \$65,595.
- All other expense line, \$82,000 - for countywide memberships and dues for NYSAC, NYS County Executive's Association, audit fees for the County's deferred savings plans and other County wide expenses
- Transfer to grants line, \$300,000 - includes continued support for the Land Bank. It was \$500,000 in 2016 and has been that for the last few years – proposing to decrease it
- Revenue line, Non Real Property Tax Items - ROT required to fund CVB, OHA, and the Erie Canal Museum.
- Revenue line, County Services - monies collected from 401B plan vendors to cover the cost of plan audits.
- Miscellaneous revenues include write-offs for stale dated checks.

Oncenter Revenue Fund, pg. 3-35

Mr. Morgan:

- Fund created to account for Oncenter operations, \$2.8 million includes \$1.3 million for the Oncenter subsidy including the SMG management fee, \$250,000 for capital improvements, and \$1.2 million for Facilities Maintenance support

County General Undistributed Personnel Expense Budget, pg. 3-37

Mr. Morgan:

- Includes \$5 million to fund the recently passed CSEA agreement and \$1 million to increase the MC salaries by 4%.

County Wide Taxes, pg. 3-39

Mr. Morgan:

- This page depicts our estimates of property tax, sales tax, and anticipated use of fund balance incorporated into the 2017 budget.
- Proposed property tax levy, \$143 million adjusted by estimates of unpaid current year taxes and payments of delinquent taxes. Estimates for deferred and uncollectable taxes, as well as prior year tax collections, are based on historical collection rates. We anticipate approximately \$13 million of deferred and uncollectable taxes and \$12 million of prior year tax collections in the 2017 budget. The property tax levy is \$143 million, a \$3.1 million increase when compared to the 2016 levy. Keeps the tax rate flat due to the depreciation of assessed property values.
- Non real Property Tax Items (sales tax), \$260 million estimate of sales tax revenue -- estimate 2016 sales tax collections will finish 1.5% higher than 2015 actual collections and assumes growth of 1.75% above our estimate for 2016.
- Appropriated fund balance, \$9.5 million required to balance the 2017 budget. Includes \$3.5 million from the refunding of OTASC's tobacco bonds--will push it into DOT's budget for road work instead of borrowing money for it. A requirement for the use of the funds is that it has to be used for capital purposes.

Interfund Transfers, pg. 3-41

Mr. Morgan:

- Transfer of general fund dollars into OCC, Road Fund, Library, so forth - it is the local dollar portion of those budgets. You will review these items when you review the budgets for those departments.
- Transfer to Debt Service fund, \$4.5M - amount needed to cover debt for OCC and Oncenter complex
- Svcs. Other Govts, \$500,000 - college chargeback revenue used to offset OCC debt
- Interdepartmental revenue - offset to indirect costs - prepared by the Comptroller's office

Debt Service, pg. 3-43

Mr. Morgan:

- Countywide debt service including WEP, Water and the General Fund - includes gross debt service payments of \$71 million, an increase of \$8.7 million compared to 2016.
- Transfers from the General fund into the debt service fund were mitigated by using reserve for bonded debt, college chargeback collections to partially offset OCC debt, 911 surcharge revenue from our land line and wireless surcharge, and Oneida exclusivity payments – being used to pay for the debt service on the amphitheater

Countywide Allocations, pg. 3-45

- All Other Expenses, \$2.5 million, cost of college chargebacks for County residents attending a community college outside Onondaga County. As you know the amount we pay to each county is based on how much the county subsidizes its community college. We basically hold that county harmless from the local cost of one of our residents attending their college.
- Tax certiorari settlements, \$200,000 - estimated payment back to residents who successfully challenge their assessment and are due a refund of improperly assessed County tax.

Revenue:

- Sales tax to other govts. - \$87 million sales tax revenue we share with the City and schools
- \$10.4 million in "Other Real Property Tax Items" consists of two items:
 - PILOTS of \$2.8 Million
 - \$7.6 million of interest and penalties on delinquent taxes
- Interest and Earnings account is our investment income. Our investable balances are projected to earn an estimated .27% return in the 2017.

Mr. Jordan:

- Debt Service fund, line 4100 – what expenses are encompassed in that line?

Ms. Venditti

- Those are the fiscal agent fees – payments associated with the issuance of debt

Chairman McMahon:

- Proposed levy – rate is the same – if you own a \$100k home, the tax bill in this budget stays the same in what you pay.

Mr. Morgan:

- Yes, unless your assessed value goes up

Chairman McMahon:

- Over the last few years, we have been making the policy of when we have assessment growth to give it back.
- I.e. SOS is building a building in Clay this year – that property will go on the tax rolls. That is new growth in this budget that we are taking.

Mr. Morgan:

- It wouldn't include that.

Chairman McMahon:

- Clarified that it was an example—i.e. Mr. Morgan builds a new house and is new to the tax rolls – this budget is taking the tax and not necessarily giving it back

Mr. Morgan:

- Yes – we are capturing the increased value of properties, it allows us to grab/increase the levy without increasing the tax rate
- To be clear - the proposed amount still leaves us under the property tax cap. We are not requesting the legislature to pass legislation to pass that.

Chairman Knapp:

- That would be based on the rate.

Mr. Morgan:

- It's based on the levy – it is a calculation; it is in the fiscal summary in the budget book – fairly complex formula. It is based on the dollar amount – there are different growth factors that they allow, different exemptions that they allow. You get to a levy limit, as long as you are under that, there is no need to pass any legislation to pass it. I'm required to report before the budget is adopted – state has an application that all towns, villages, school districts are required to report their information. The state comptroller typically comes and reviews it.

Chairman McMahon:

- Do you propose using any fund balance in 2016?

Mr. Morgan:

- My last report to the legislature assumed we were going to use almost \$3 million; I believe we will use it.
- It will leave us at the end of the year with \$11 million over the fund balance goal.
- Obviously, depending on how the incentive goes, we will probably have to dip in to pay for that. The long terms savings from the incentive are going to pay that off really quickly, depending on how many positions are filled. That doesn't include the \$5M that is committed; if you add that in, you are actually looking at \$16 million over the 10% goal.

-

Chairman Knapp:

- Asked about the \$5 million debt relief – have not applied it to anything?

Mr. Morgan:

- It is still committed – has not been applied to anything
- Proposed last year to use \$1 million of it – the legislature ended up reducing expenses and not using any of it

Chairman McMahon:

- Village Infrastructure Fund – we added to it a couple of years ago – is the number in the budget the number we had last year?

Mr. Morgan:

- You added \$500k a couple of years ago

Chairman McMahon:

- Our contract with the villages is \$4 million – we brought it up to \$4.5 million

Mr. Morgan:

- Correct; we distribute it in the same fashion as the \$4 million
- They are required to submit what they intend to use the money for, required to submit update reports on how they actually use the money before they can get next year's funding

Chairman McMahon:

- Do they send those reports?

Mr. Morgan:

- Yes

Chairman Knapp:

- The \$4 million is contractual and the \$500k is at our discretion basically?

Mr. Morgan:

- When this first came up we did look at if this could be distributed in a different way, and the legal opinion was "no". It had to be set up the same way it was to begin with and had to be distributed in the same fashion

Chairman Knapp:

- That's the distribution piece of it, but we have to distribute \$4 million in some way, shape or form, but questioned the \$500,000 that we increased it a few years ago.

Chairman McMahon:

- The \$500,000 is what we did

Chairman Knapp:

- We have flexibility over it – not the way it is distributed, but if it is in there or not

Mr. Morgan:

- Absolutely – you have discretion over all of it – you are not committed to \$4 million either – I don't believe

Mr. May:

- County wide allocation – sales tax – this is all based on a projection. If the numbers change, how do these numbers change – is it relative or proportionate - if there is less, there is less; if there is more, there is more.

Mr. Morgan:

- In regards to sharing sales tax – yes. Right now we take about $\frac{3}{4}$ and the City takes a $\frac{1}{4}$; schools get a minuscule piece
- The 1% extra is actually what the City shares in mostly – depending on if it grows or doesn't grow, it could impact them differently than the 3% impacts us. The City pretty much retains all of the 1%.

Mr. May:

- What is the projection for this year?

Mr. Morgan:

- County share - \$250,000; to build the 2017 budget we used 1.5% growth this year and 1.75% growth next year

Mr. Jordan:

- Debt service fund budget – explanation - *calculation of subsidies – increase of \$8.7 million to appropriate account for certain subsidies*. What subsidies are being referred to?

Mr. Morgan:

- Incorrect in the budget this year as to how we handled the Oneida exclusivity casino revenues. We netted those against the expense. Instead should have had a full debt service and then a revenue.
- We are properly accounting for it this year – that is what the language means. What we did was instead of having the full debt service expense as its full amount, we netted a revenue against it. That is not the proper way to handle it.

Mr. Maturo:

- You can't take revenue and expense, and net them – you have to gross up both sides. That is what the budget does – this is fine.

Mr. Jordan:

- When you refer to subsidies, I'm not sure what it is

Mr. Morgan:

- There are different ones--we lump them all together. We use reserve for bonded debt, 911 surcharge revenue, some federal subsidies for some bonds issued during the recession. We call the casino revenue as subsidy too. It is a catch all. Subsidies – monies receiving to offset debt service.

Chairman Knapp:

- Room Occupancy Tax – what are you projecting for 2016 actual?

Mr. Morgan:

- Between \$6.6 - \$6.7 million

Chairman Knapp:

- Did that increase?

Mr. Morgan:

- Yes – the budget for this year is \$6.5 million

The following was distributed:

ROOM OCCUPANCY TAX
2016 - 2017

	2016 <u>Adopted</u>	2017 <u>Executive</u>
ROT Projections		
ROT Revenue-Finance		
ROT Revenue-CTY General	\$ 6,535,000	\$ 6,565,000
Total Revenue	\$ 6,535,000	\$ 6,565,000
ADMINISTRATIVE COSTS		
Comptrollers Office	\$ 49,433	\$ 49,433
Law Department	\$ 34,705	\$ 34,705
Finance Department	\$ 83,249	\$ 83,249
Management and Budget	\$ 26,620	\$ 26,620
Sub-Total	\$ 194,007	\$ 194,007
AUTHORIZED AGENCIES - FINANCIAL		
CNY Arts	\$ 1,021,832	\$ 1,205,381
Contingency	\$ 150,000	
Landmark Theatre	\$ 50,000	\$ 50,000
Jazzfest (Local Performing Arts)	\$ 75,000	
Sub-Total	\$ 1,296,832	\$ 1,255,381
AUTHORIZED AGENCIES - HUMAN		
St. Patrick's Day Parade	\$ 15,000	\$ 15,000
Westcott Street Fair	\$ 10,000	
Challenger Field of Dreams	\$ 25,000	
Sub-Total	\$ 50,000	\$ 15,000
AUTHORIZED AGENCIES - PHYSICAL		
Baltimore Woods - Center for Nature Ed.	\$ 12,500	\$ 12,500
COUNTY GENERAL OTHER ITEMS		
Contracted Services		
Syracuse CVB	\$ 1,660,000	\$ 1,910,000
Syracuse Nationals	\$ 25,000	\$ 25,000
Contracted Services - Total	\$ 1,685,000	\$ 1,935,000
Onondaga Historical Association (OHA)	\$ 165,452	\$ 173,325
Erie Canal Museum	\$ 62,616	\$ 65,595
Contingency	\$ 250,000	
County General Other Items - Total	\$ 2,163,068	\$ 2,173,920
OTHER DEPARTMENT ALLOCATIONS		
PARKS - Local Performing Arts		\$ 75,000
PARKS - Carp Brook	\$ 50,000	\$ 50,000
LEGISLATURE - Tourism Incentive	\$ 165,000	\$ -
Other Departments Total	\$ 215,000	\$ 125,000
ONCENTER REVENUE FUND		
Oncenter - Operating Subsidy	\$ 1,300,000	\$ 1,300,000
Oncenter - Capital Reserve Fund	\$ 250,000	\$ 250,000
Oncenter - Charges from FM	\$ 1,053,493	\$ 1,239,192
Total Oncenter ROT	\$ 2,603,493	\$ 2,789,192
Current Distribution Totals	\$ 6,535,000	\$ 6,565,000
ROT Revenue Projection	\$ 6,535,000	\$ 6,565,000
Surplus/Deficit	\$ -	\$ -

The meeting was adjourned at 11:43 a.m.

Respectfully submitted,

Deborah L. Maturo

DEBORAH L. MATURO, Clerk
Onondaga County Legislature

2017 Budget Review
ATTENDANCE
COMMITTEE: Ways & Means Review of Wms. Depts
DATE: 9/19/16

NAME	DEPARTMENT/AGENCY
PLEASE PRINT	
Jim Maturo	Comptroller

2017 Budget Review
ATTENDANCE
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PLEASE PRINT	
Carol Eaton	Visit Syracuse