

SECOND DAY OF ANNUAL SESSION

Johnstown, NY

November 16, 2015

Roll Call – Quorum Present

Supervisors: Argotsinger, Born, Bradt, Breh, Callery, Fagan, Gendron, Greene, Groff, Handy, Howard, Johnson, Lauria, Potter, Waldron, Young

TOTAL: Present: 16 Absent: 4 (Supervisors Christopher, Kinowski, MacVean, and Ottuso)

Vice-Chairman Potter called the meeting to order at 1:00 p.m. Following the Pledge of Allegiance, Vice-Chairman Potter advised that the purpose of today's meeting is to conduct 2016 Budget review. Vice-Chairman Potter then recognized Finance Committee Chairman Richard Argotsinger, who moved to the dais for the review work. Mr. Argotsinger then asked Ms. Kuntzsch, Budget Director/County Auditor, to lead review of the 2016 Tentative Budget.

Budget Director Alice Kuntzsch welcomed everyone to the meeting and described the Tentative Budget review schedule. Ms. Kuntzsch next reviewed adjustments as of today, November 16, 2015. She noted with these changes, the average County Tax Rate is \$10.90 per thousand, which is an increase of 9.43 percent on the tax levy from last year.

Supervisor Callery questioned the increase since the last meeting. Ms. Kuntzsch explained that it was because of the adjustments that she just reviewed, but primarily the need to appropriate funds for commitments made in the SMART Waters Memorandum of Agreement with Gloversville.

Mr. Stead, Administrative Officer, explained that the Finance Committee Chairman Argotsinger asked Ms. Kuntzsch to include the \$578,000.00 expense for the SMART Waters Inter-municipal Agreement. Mr. Stead added that it was open for discussion by the Board.

Mr. Argotsinger advised that it was his hope that the SMART Waters Inter-municipal Agreement is signed by both parties by the end of the year.

Supervisor Gendron commented that the County should be optimistic that the Agreement will be signed soon.

Supervisor Born advised that there will be new members on the Common Council for the City of Gloversville starting January 1, 2016. Mr. Stead advised that it is the belief that the Agreement will move forward next week.

Supervisor Callery explained that the County should wait until the first of the year to deal with the Agreement and amend the budget if it was needed.

Supervisor Waldron said the County should keep the funding for the SMART Waters Inter-Municipal Agreement in the budget as a tentative expense for next year. The Board could apply

Fund Balance today for the increase and if it is not used, the funds will go back into the Fund Balance next year.

Supervisor Lauria commented that the City of Gloversville also included this as revenue in its 2016 Budget and if it is not approved, then the City will have to increase City taxes.

(Supervisor Bradt arrived at the meeting at 1:19 p.m.)

Supervisor Fagan commented that the County should keep the \$578,000.00 in the 2016 Tentative Budget for the Agreement.

Supervisor Fagan made a motion to approve budget adjustments as presented, seconded by Supervisor Groff and carried. (Supervisor Callery opposed)

Ms. Kuntzsch then reviewed the “Summary by Functions” handout with the Board and explained each category one section at a time.

Chairman of Finance Argotsinger asked if Supervisors had any questions or suggestions regarding proposed budget cuts.

Pg. 38 - .4090 Coroners EXP-Professional Services – Supervisor Callery asked for clarification as to why this account had gone up. Ms. Kuntzsch explained that autopsies now have to be done at Albany Medical Center and this would account for the increase in the cost for autopsies.

Pg. 45 - .1100 Board of Elections EXP-Overtime - Supervisor Callery asked why this was increased. Supervisor Fagan advised because of three primaries and one general election in 2016. Ms. Kuntzsch advised that some of the increase was for training purposes.

Supervisor Lauria commented that the Board of Elections needs a new Time Stamp Machine. Ms. Kuntzsch responded that she sent a memo out for each Department to check their 2016 budgets and heard nothing from the Board of Elections. Supervisor Argotsinger advised that the Board of Elections Commissioners would need to bring this request forward to the Finance Committee themselves.

Pg. 45 - .4927 Board of Elections EXP- Chargeback Expense - Supervisor Callery asked why the figure was increased for 2016. Ms. Kuntzsch answered that it was because of the BOE getting an increase in HAVA State Aid funding.

Supervisor Callery commented that all the Telephone, Gas and Electric figures should be adjusted. Ms. Kuntzsch answered that she talked with the Superintendent of Highways and Facilities and he is comfortable with all the figures presented and requested no changes. The oversight committee also looked at the estimates a second time.

Ms. Kuntzasch advised as far as the telephone accounts, she was leaving them as they were budgeted. Mr. Stead advised that Perry Lovell, Information Services Director, was going to

provide new figures for the 2016 Tentative Budget. After some discussion, Ms. Kuntzsch agreed to check with Mr. Lovell for final figures regarding all telephone accounts.

Pg. 59 .1000 Special Corrections Officers EXP-Payroll – Supervisor Callery asked for an explanation for the increase. Ms. Kuntzsch explained that all the payroll expenses have not been posted. Supervisor Callery further questioned the increase and asked if anyone on the Public Safety Committee could explain the increase.

Supervisor Callery made a motion to reduce the allocation for the Special Corrections Officers Payroll from \$85,000.00 to \$75,000.00, seconded by Supervisor Born. Motion Defeated by a vote of 7 in favor to 9 opposed. (Supervisors Breh, Fagan, Gendron, Greene, Groff, Handy, Johnson, Waldron and Young opposed)

Pg. 31 .6420 Center for Regional Growth EXP-Business Development Marketing – Supervisor Potter asked what the increased proposal is for. Is the additional request for another employee?

Mr. Stead read from the Marketing Plan that was submitted by the CRG. They originally requested \$283,000.00 and the Budget Committee for Economic Development and Environment did not approve this and reduced it to \$215,000.00.

Supervisor Callery asked if outside agencies requests come to the Board and get approved at one time or do they get voted on individually. Mr. Stead said that the contracts for each outside agency will come before the Board on an individual basis in late December.

Supervisor Fagan explained that CRG is asking for another position that would do grant writing and specifically work to attract businesses to Gloversville. He said it was very important that the County maintain the request from CRG at \$215,000.00.

Pg. 31 .8710 EXP- Soil and Water Conservation - Supervisor Callery asked for an explanation for the increase. He understood it was because Soil and Water wanted to add another employee. Supervisor Callery added that this would not help the tax levy and he was concerned. Mr. Stead questioned if this person was already hired, how is Soil and Water paying for it now.

Supervisor Lauria, Liaison to Soil and Water, was asked if he knew why the increase was requested. Supervisor Lauria responded that Soil and Water had not had an increase in 14 years. Soil and Water Conservation District Director John Persch works out in the field a lot and one other employee is only part-time. Mr. Lauria further explained that they help out a lot in the community and this person is needed. He also explained that the money to pay for the new person is coming from sales of pipe and tiles.

Supervisor Callery explained that he is very appreciative of the work that Soil and Water does, however, they get funding from the Federal and State government and their request is just too high.

Supervisor Argotsinger has the same concerns that Supervisor Callery has. If the new person has already been hired and has been there for six (6) months, they will probably pay for the position the same way – through the sale of pipes and tiles.

Supervisor Fagan agreed with Supervisor Argotsinger and explained that the Soil and Water Conservation District was developed and put into counties by statute or by local law. Soil and Water Conservation District cannot charge for their services and they provide services to municipalities and to any resident of Fulton County. Supervisor Fagan also explained that Soil and Water may move to a building at Tryon Technology Park and this can reduce some amount on their rent. Supervisor Lauria advised that Soil and Water Conservation was assuming that the building at Tryon would be available to them at no cost. Supervisor Fagan added that there is no timeframe for Soil and Water to move into the Tryon Technology Park.

Mr. Stead asked Supervisor Lauria if Soil and Water Conservation District received any additional revenue in 2015. Supervisor Lauria said, “no”.

Supervisor Howard made a motion to reduce the allocation for Soil and Water Conservation District from \$83,020.00 to \$61,020.00, Seconded by Supervisor Callery and carried. (Supervisors Fagan, Greene, Groff, Handy, Lauria, Waldron and Young were opposed)

Allocation for Cooperative Extension .8750 – Supervisor Argotsinger suggested any allocation provided support all three (3) programs at Cooperative Extension – not just the 4-H Program. Mr. Stead advised that the Board can make that decision when the contract is up for approval at the December Board meeting.

Supervisor Born advised that she would vote only to provide the funds for 4-H because the children approached her and told her how much they enjoy 4-H.

Supervisor Lauria said the allocation of funding should go to 4-H only, so “the kids are not out on streets”.

Supervisor Young commented that agencies have to do more with less and the County should leave it up to Cooperative Extension as how to best allocate the money the County provides.

Debt Service .9785 – Supervisor Howard commented that the County was supposed to see savings with the Smart Watt Energy Project and is there a report available to see the savings generated. Supervisor Fagan explained that there is not one now, but after one year there will be a full breakdown. Supervisor Fagan also explained that there were tremendous savings in the Correctional Facilities in water fees alone. Also, there are savings with boiler and gas usage. Supervisor Howard requested that these reports come before the Finance Committee every year.

Mr. Blodgett, County Treasurer, was asked what the County Fund Balance was. He responded that it was \$17.1 million as of Thursday, November 12, 2015.

Supervisor Waldron made a motion to apply \$2 million from Fund Balance, seconded by Supervisor Callery.

Supervisor Gendron asked if the goal was to stay below the tax cap and if so, wouldn't applying \$1.75 million achieve this?

Mr. Stead asked Ms. Kuntzsch to calculate what the reduction would be if \$2 million in Fund Balance was applied. Ms. Kuntzsch re-calculated and said taking \$2 million from the Fund Balance would put the County \$245,000.00 under the tax cap. Mr. Stead further asked Ms. Kuntzsch for the tax rate and suggested that the Board take a recess for Ms. Kuntzsch to make the needed calculations and to ensure that the Board had accurate details prior to voting on such a decision. Ms. Kuntzsch agreed.

A ten minute recess was called by Vice-Chairman Potter at 2:56 p.m.

The meeting was called back to order by Vice-Chairman Potter at 3:26 p.m.

Ms. Kuntzsch advised if the Board applied \$2 million from Fund Balance, it would place the County at \$200,000.00 under the tax cap.

Ms. Kuntzsch advised that she instead did the calculations taking \$1.8 million out of the Fund Balance and the new tax levy would be \$10.23 cents for the average county tax rate and a 5.54 percent tax decrease.

Supervisor Callery objected that Ms. Kuntzsch was asked to calculate the effect of applying \$2 million from the Fund Balance.

Ms. Kuntzsch re-calculated and applied \$2 million of fund balance. The new tax rate would be \$10.16 per thousand or a 6.2 percent reduction in the average county tax rate. It would be \$284,000.00 under the tax cap.

Supervisor Waldron then said that he would withdraw his motion to apply \$2 million and instead moved to apply \$1.8 million of Fund Balance. Supervisor Callery said he would not second that motion now. Supervisor Gendron seconded the motion at \$1.8 million.

Mr. Stead advised that the County is dealing with reducing taxes through appropriating Fund Balance and to keep in mind that in a few years, if this trend continues, the Fund Balance will be depleted. The State-mandated Tax Cap creates a precarious situation for local governments. Continually pursuing the Tax Cap figure will eventually put local municipalities "out of business" because they won't be able to raise revenue to support operations.

Supervisor Howard said the Tax Cap was "brewed up" in Albany and it was a waste of time, but the County has to do it by law. The County should maintain the level of the Fund Balance required by law and give savings to the taxpayers. The difference between using \$1.8 million or \$2 million in Fund Balance is negligible.

Supervisor Young said he agrees with Supervisor Waldron and smart, long term thinking would be not to use more than \$1.8 million in Fund Balance.

Supervisor Callery advised that “the money belongs to the tax payers” and it is the Supervisors’ job to help tax payers. Using \$2 million of Fund Balance is still conservative.

Supervisor Gendron advised that careful judicial use of Fund Balance allows the “ship to be steady” and that is why he made the second for applying \$1.8 million of Fund Balance.

Mr. Stead explained that the motion on the floor right now was to apply \$1.8 million in Fund Balance to balance the 2016 Budget.

Supervisor Callery made a motion to amend the current motion to apply \$2 million in Fund Balance rather than \$1.8 million, seconded by Supervisor Lauria. Motion Defeated by a vote of 9 in favor to 7 opposed. (Supervisors Born, Bradt, Breh, Potter, Waldron, Young and Argotsinger opposed)

Acting Chairman Potter then called for a vote on the original motion of \$1.8 million.

The vote was held and the motion carried with 321 (12), in favor, 77 (4) opposed (Supervisors Callery, Greene, Handy, and Johnson opposed)

The Board recessed at 4:05 p.m. until Monday, November 23, 2015 at 1:00 p.m.

Certified by:

Jon R. Stead, Administrative Officer/ DATE
Clerk of the Board