

SECOND DAY OF ANNUAL SESSION

Johnstown, NY

November 18, 2024

Roll Call – Quorum Present

Supervisors: Blackmon, Bradt, Breh, DiGiacomo, Fagan, Fogarty, Groff, Howard, Isabella, Kinowski, Lauria, Lehr, Orfan, Praught, Roehl, VanValkenburgh, Young

TOTAL: Present: 17 Absent: 3 (Supervisors Goderie, Palcovic and Potter)

Chairman Blackmon called the meeting to order at 1:01 p.m. and lead the Pledge of Allegiance.

Chairman Blackmon then invited Finance Committee Chairman David Howard to the dais to Chair the Budget Review session.

Mr. Howard then asked Budget Director/County Auditor Alicia Cowan to lead review of the 2025 Tentative Budget.

Ms. Cowan presented a MS PowerPoint and provided two (2) Budget Adjustment Worksheets listing proposed revisions for the Board to consider. She advised that the changes listed on the first worksheet are proposals since the Tentative Budget was released last week based upon new details or calculations. Ms. Cowan stated that she would like individual motions taken on the changes listed on the second Budget Adjustment Sheet because those were requests from department heads for reconsideration of previous Finance Committee reductions.

Supervisor Kinowski made a motion to approve the Highway “D Fund” section in an amount of \$39,422.00 on worksheet two as presented on the handout by Ms. Cowan, seconded by Supervisor Breh and unanimously carried.

Supervisor Lauria made a motion to approve the Emergency Management Insurance account increase of \$750.00 on worksheet two as presented on the handout by Ms. Cowan, seconded by Supervisor Praught and unanimously carried.

Supervisor Roehl asked if the SmartWatt debt is actually paying off with savings and has it been worth the County’s time. Mr. Stead explained that specific program had to be entered as a debt service installment purchase plan due to satisfy NYS rules and regulations and access NYSEDA grant funds. Mr. Stead stated that the annual payment is covered by the actual annual savings. Mr. Stead stated that the Highways and Facilities Superintendent had updated the Public Works Committee a couple years ago and stated that it was on track to meet the estimated savings. Mr. Fagan noted that the amount of water that the Jail saved was significant.

Mr. Roehl then asked why the A.1000.4089-4089-REV-Federal Aid account shows \$8.5 million budgeted during 2024, but has nothing budgeted for 2025. Ms. Cowan stated because the American Rescue Plan Act (ARPA) funds were received in 2024. As a one-time grant, they will not be appropriated for the 2025 budget.

Supervisor DiGiacomo queried if the 2025 Capital Plan could be discussed.

Ms. Cowan turned her attention to the Capital Plan handouts that she provided at the start of the meeting. Ms. Cowan explained that \$400,000.00 will be removed from the 2025 Capital plan under the “Smart Waters Fulton County Sewer District No. 5” Project. She stated that there will be user fee revenue that the County receives from the users of the Sewer District. Mr. Stead stated that the I&I study will be charged against the users in the District through that fee. He then stated that the I&I charges revenue will be set aside initially to pay for the County’s two (2) I&I projects. After they are paid for, that revenue will go to the cities to offset future I&I reduction costs.

Supervisor DiGiacomo made a motion to revise the tax levy cost for the “Smart Waters Fulton County Sewer District No. 5: NYS Route 30/30A – I & I Removal” project by listing \$400,000.00 of revenue from other sources, rather than the 2025 tax levy, seconded by Supervisor Fagan and unanimously carried.

Mr. DiGiacomo expressed that he visited the Office for Aging (OFA) to evaluate the condition of the parking lot and sidewalk and suggested that the project be postponed until 2026.

Supervisor Praught asked what the quality of the parking lot was at the Department of Social Services (DSS). Mr. DiGiacomo stated that both the OFA and DSS lots are not in great shape, but they can be postponed until 2026. Supervisor Fogarty stated that he visited DSS and agrees with Mr. DiGiacomo.

Supervisor DiGiacomo made a motion to postpone “Pave Parking Lot – DSS”, “Pave Parking Lot – OFA” and “Sidewalk Replacement – DSS & OFA” projects until the 2026 Capital Plan year, seconded by Supervisor Lauria and unanimously carried.

Mr. DiGiacomo then queried if the “Flatbed Truck” in the amount of \$180,000.00 is a necessity for use in the Highway and Facilities Department during 2025.

Supervisor DiGiacomo made a motion to postpone the “Flatbed Truck” purchase until the 2026 Capital Plan year, seconded by Supervisor VanValkenburgh and unanimously carried.

Supervisor Fagan expressed that the “Chevrolet Silverado 2500 w/ Upfit” in the Sheriff’s Department should be postponed until the 2026 Capital Plan year.

Supervisor VanValkenburgh stated that some of the vehicles the Deputies are driving are unsafe. She stated that the frame is not good and the current Dodge Ram truck that this would be replacing is rotting out. She also stated that she has concerns with reducing the amount of vehicles in the Sheriff’s Department at this time due to the current condition of the vehicles.

Mr. Groff agreed, and stated that it would replace the current 2016 Dodge Ram 4-door pick up truck, and noted that it is for the Lieutenant’s use. Reading from the original project Justification

description, Ms. Cowan noted that this Chevrolet Silverado 2500 would replace a 2018 Ford Explorer and a 2016 Dodge Ram Pick-up.

Supervisor Fagan made a motion to remove the “Chevrolet Silverado 2500 w/ Upfit” project from the 2025 Capital Plan, seconded by Supervisor Lauria and motion failed. (Supervisors Blackmon, Bratt, Breh, DiGiacomo, Fogarty, Groff, Howard, Lehr, Orfan, Praught, Roehl and VanValkenburgh were opposed).

Budget Director Cowan then identified several revenue accounts for Board members to review further.

Supervisor Lauria made a motion to increase A.1000.1090-1090-REV-Interest – Penalties on Real Property Taxes account from \$1,000,000.00 to \$1,200,000.00, seconded by Supervisor Fagan and carried. (Supervisors DiGiacomo, Fogarty, Groff, Howard and Isabella were opposed)

Supervisor Young made a motion to increase A.1410.1410-1256-REV-County Clerk Legal Fees account from \$725,000.00 to \$800,000.00, seconded by Supervisor VanValkenburgh and unanimously carried.

Supervisor Fagan made a motion to increase A.1000.3016-3016-REV-State Aid-Casino Licensing Fees & Various Gaming Revenues from \$450,000.00 to \$500,000.00, seconded by Supervisor Praught and unanimously carried.

Supervisor Roehl asked if Opioid Settlement funds revenue could be budgeted in 2025, because the County received \$188,000.00 so far this year. Mr. Stead stated that in January, Ms. Cowan will bring a Resolution forward to create a reserve for Opioid Settlement funds and a budget amendment will get done so that the funds can be utilized. Mr. Stead stated that only about 20 percent of the Settlement monies can be used as unrestricted funds and 80 percent are restricted funds uses or new programs.

Ms. Cowan reviewed the Reserve funds summary and what Reserves are being used for Capital Projects in 2025, along with their balances.

Mr. Fagan queried why there is only \$20,370,366.00 in General (A) Fund Balance on the summary when the Finance Committee was told at its last meeting that there is \$36 million in the General Fund Balance.

Ms. Cowan stated that when she completed her 2025 Budget book, the Treasurer reported the fund balance totaling \$38 million. Ms. Cowan then stated that later during the Finance Committee meeting, the Treasurer reported the General Fund Balance totaling \$36 million. Ms. Cowan stated that, since that Finance meeting, she reviewed every resolution that was adopted in 2024 and estimated how much General Fund Balance was used during 2024 so far. Ms. Cowan said that her assessment is that the Treasurer’s reported amount did not subtract out the \$7.8 million that was used to balance the 2024 Adopted Budget. She then noted that \$7.8 million was

appropriated for use in the original 2024 Adopted Budget, which was not subtracted from the fund balance amount when it was reported to her at the start of budget process this year.

Mr. Fagan then expressed that the County Treasurer's 2023 County Audit and Financial Statements need to get done on time next year. He stated that the Fund Balance totals that are included in the audited Financial statements are very important when completing the next year budget.

Mr. Roehl stated that there used to be times were governments would appropriate fund balance and then it would get "replenished" by the end of the year rather than spent. He then asked if that is still happening now.

Ms. Cowan answered that the County appropriated \$7.8 million this year, but approximately \$4 million will likely fall back to fund balance due to vacant positions.

Mr. Roehl then asked if around 20 percent of the total budget is acceptable as a fund balance level. Mr. Stead answered that the "rule of thumb" is 15 percent of total appropriations is an adequate Fund Balance. Mr. Stead stated that the NYS Comptroller's recent Fiscal Stress Report evaluates how much is cash and what the County's total receivables are. He noted that Fulton County has a very high percentage of its Fund Balance that is cash available when necessary.

Mr. Fagan stated that in the past, most of the Fund Balance that was applied to the County Budget doesn't get used; however, he expressed that this year could be a little different. He stated that some of the employee raises weren't budgeted and a lot of changes occurred within DSS programs. He then reiterated the importance of why the audited financial statements are so important to have prior to completing the County budget.

Ms. Cowan stated that with today's changes, there have been approximately \$1,000,000.00 in reductions to the overall 2025 Tentative Budget. She then stated that the estimated 2025 County Tax Levy totals \$35,810,988.00 with those changes, which is a 20 percent increase from 2024. She also noted that the potential approximate 2025 Average County Tax Rate would be \$12.06 per thousand. She stated that the average 2024 County Tax Rate was \$10.23 per thousand.

Mr. Stead asked how much an additional \$1 million application of General Fund Balance would reduce the County Tax Rate. Ms. Cowan stated that \$1 million of additional fund balance would result in an Average County Tax Rate of \$11.72 per thousand, a \$0.33 reduction.

Mr. DiGiacomo asked how much would need to be applied to be under the Tax Cap. Ms. Cowan calculated that and determined that the Board would need to apply an additional \$6 million which would put the tax levy under by \$84,000.00.

Mr. Stead counseled that he doesn't think the Board could get under the Tax Cap this year. He stated that general inflation, poor federal and state policies, and collective bargaining agreement increases are the most compelling forces that increase County budgets each year.

Mr. Groff stated that indigent defense costs total \$85 million annually and the counties are required to pay much of that. Ms. Cowan then noted that the County lost \$1 million in revenues

from foreclosures and the Assigned Counsel Division increased by \$1.3 million due to the increase mandated per hour attorney rates.

Ms. Cowan calculated that if an additional \$2.5 million of fund balance was applied to the 2025 budget, then it would result in an Average County Tax Rate of \$11.22 per thousand with a total use of \$8,501,000.00 of applied Fund Balance. She also noted that the County would still be over the State-mandated Tax Cap by \$3.4 million.

Supervisor Groff made a motion to apply additional Appropriated Fund Balance of \$2.5 million to the 2025 Tentative Budget for a total applied Fund Balance of \$8,501,000.00, seconded by Supervisor Fagan and unanimously carried.

Mr. Stead queried how much additional fund balance would have to be applied to balance the 2025 Budget at a resulting average tax rate of \$11.23 per thousand. That would be a \$1.00 increase to the average tax rate for 2023.

Ms. Cowan noted that with that change, the 2025 Tentative Budget would include \$8,501,000.00 of Appropriated Fund Balance with a Tax Levy of \$33,310,988.00 and an Average County Tax Rate of \$11.22 per thousand. She said, as an example, a \$120,000.00 home would see an increase of approximately \$119.00 over the prior year. This would be a 9.7 percent increase on the tax rate.

Mr. Stead advised that the next Board Meeting is going to be held on November 25, 2024 at 1:00 p.m., including the 2025 Tentative Budget Public Hearing at 1:30 p.m. and a Finance Committee meeting will be held prior to the Board meeting at 11:30 a.m. in Meeting Room #1 in the County Office Building.

The Board recessed at 2:30 p.m. until Monday, November 25 at 1:00 p.m.

Certified by:

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