

FINANCE COMMITTEE Agenda
November 3, 2015

Present: Doug Paddock, Sarah Purdy, Tim Dennis, Gary Montgomery, Bonnie Percy, Jim Multer, Bill Holgate, Dan Banach, Lee Sackett, Mark Morris, Bob Clark, Connie Hayes, Pat Brede, Nonie Flynn, Leslie Church

Doug and Jim Smith will do the audit this month

Minutes of the October meeting were approved as presented.

Planning – Shawna Bonshak/ County Administrator

Sarah reviewed the proposed outline for the public presentation on the fiber project. The consensus of the Committee was to try and have the presentation in December. Sarah will start working on putting the presentation together.

The Historian's report was reviewed, there were no questions.

Sarah reviewed the following resolution that would be needed. The Committee approved.

- Appoint Member To The Yates County Planning Board (Schiesser)

Real Property – Patricia Brede

Pat reported she is still waiting for a few final SCAR decisions so she is unable to report the change to the taxable values until the next meeting.

Pat reported she will begin work on the merged file for Town and County bills in early November. The Town budgets are due here no later than November 20th.

Pat reviewed information on the possibility of increasing the Senior Citizen Tax Exemption. Pat explained this exemption is different from the STAR exemption. The consensus of the Committee was to have Pat go forward with talking with the schools and towns and will report back to the Committee. Connie will prepare the resolution to set the date for a public hearing on the proposed local law.

Treasurer – Nonie Flynn/Budget Officer

Nonie reviewed the 2015 Appropriations.

Nonie reviewed 2015 Appropriations Exceeding 75%.

Nonie reviewed the sales tax report which shows sales tax is up approximately .09%.

Nonie reviewed the due from Federal & NYS which showed \$1,040,254.52 outstanding.

Nonie reviewed the Cash Flow Statement. The consensus of the Committee was to see this report annually unless Nonie sees something alarming.

Nonie reported the NYS Comptroller's office has approved the audit for the exit conference which will take place on November 5th.

Nonie reported the voucher for the Fiber Project was submitted on October 28th to NYS for the reimbursement of \$338,619.99.

Nonie reviewed the following resolutions that would be needed. The Committee approved.

- 2015 Budget Transfers
- Appropriate additional federal aid (PH)

Other

Discussion on contractor/employee and what the total cost would be took place. Doug explained that by putting the salary of the secretary into the public defender's salary it will be a loss of approximately \$9,600.

Tim stated that this has been discussed and thought it was all taken care of. The thought was to not have an impact on the taxpayers. Tim feels the decision was made and should be left as decided.

Gary questioned if there was something that could be done to leave these people that the IRS feel are not contractors as contractors. Nonie stated, no there is not.

Doug explained there is a worksheet that the IRS uses which the Sheriff used for one of his contractors. Although the Sheriff feels strongly that this person should remain a contractor the IRS feels differently even after receiving the worksheet from the Sheriff.

Dan feels this is an unfunded mandate and the cost is being passed down to the secretary.

Sarah pointed out that there is another individual who has also been affected nearly as much and that is the Community Service Director.

The consensus of the Committee was to standby the original decision.

Doug explained the Finance Committee was charged with putting something together for the use of the Contingent Account, covering what should be in the contingent account and recommended level. There are certainly items that come up at budget time that we know are going to occur the following year, for example union contract settlements. Doug put together the following as a starting point.

Doug questioned if there is a further item that needs to be added such as, is it the intent within the department budget that they should get to a negative state before we tap the contingent account. An example would be, the IT Director had requested some changes in fund balance last month from the contingent account. The decision was to pull that transfer and not do those transfers until that line item essentially went negative. The Director's interpretation of this was that he should not hire the replacement for the person that is not there so that he would be able to cover the entirety of that account and that may not have been the intent of the situation.

Tim stated his understanding was, for instance, with the tower transition costs, we know that is going to have to be paid. The question was do you go to the contingent fund right now and pay that or do you work within the line of that overall budget in that department until they are drawn down and then you go to the contingent. It doesn't say you can't do it.

Bonnie stated that at the end of the year, any account that has funds left is used to cover overages before the contingent account is used.

Bill questioned how much work is being put on the department head and treasurer in constantly trying to figure out what line this can come out of this month and which line can it come out of next month. When it should really come from contingent.

Sarah explained that her philosophy in the past as budget officer was to not use the contingent fund the first half of the year. There was never any written policy on that.

Gary stated he is sympathetic to the how much work it is, and he doesn't want to put any unnecessary burden on the treasurer or any department manager. He feels that every department manager should manage their budget as best as they can, use it up, play the shell game but learn to manage your budget and budget according.

Bill stated it sounds good and he agrees with it and when department heads come forward with reasonable requests that they feel they need to budget, such as the case of overtime, this is probably realistic, and we are going to sit back and say, this is not acceptable cut \$100,000 more out of that line. It works both ways. We have to allow people to realistically budget if you are going to play that game.

Mark stated the Treasurer told managers to budget for the most probable and do not pad their budgets, there will be money in the contingent fund. This is the right behavior and we need to factor that into how we are going to manage the contingent fund. Otherwise, what Bill is saying is going to happen, people will start budgeting for the worst case scenario and we don't want that behavior.

Doug stated another example would be in the Sheriff's department. The Sheriff budgeted \$70,000 for a tower transfer, we took \$10,000 out of that so it is now at \$60,000. If it comes in at \$65,000 then we have gained \$5,000 but if it comes in at \$65,000 in Doug's opinion, this should be pulled out of the contingent fund to cover that particular project without having to move things around within that particular object, as long as we have been informed of it.

Doug suggested that wording be added to the effect that if there is a line item that the legislature has been apprised along the way and we know it is going to go over such as the tower, and we haven't said stop, or we haven't said no that is all you can spend etc. Then it would be reasonable to tap the contingent fund for a given project as long as we are notified of it rather than trying to play a shell game to try and rearrange within that budget. Doug will also add something to the effect that the contingent fund should not be tapped for the first 6 to 8 months of a given year.

Contingent Account

Included in Contingent should be items representing expenses that are likely to occur, but are not included in departmental line items. Examples include:

- Estimated salary increases for personnel, not yet confirmed,
- Capital project additions (2015: roof at Highway, Italy tower; 2016: Stid Hill tower, etc.),
- equipment replacement that may or may not make it through another year (folder/stuffer in Real Property),
- Consultants (grant applications not anticipated at time of budget).

Additionally, expenses occur over which we have little control and cannot anticipate. Examples include:

- vacancies that need some overlap of time with an incumbent for training,
- indigent legal fees,
- foster care for children.

Average usage over past 5 years has been \$206,000. This represents ~0.5% of total budget.

Suggested funding level of Contingent would be 0.5% of total budget above the identified items in the first paragraph, with a minimum total funding level at 1.0% of total budget.

Doug reported the County Attorney was to come back in November with his concerns on the Outlet Trail. He has not had a chance to put all his concerns together but has started. He will have more information at next month's meeting.

Mark moved to enter executive session to discuss the history of a particular corporation, with Sarah and legislators present, seconded by Gary.

VOTE: Unanimous

Meeting adjourned at 7:36p.m.