

Budget Hearing
Administrative Services Committee
Audit & Control Committee
Tuesday, October 2, 2018 – 9:00 a.m.
Gerace Office Building, Mayville, N.Y.

Members Present: A.S.: Scudder, Davis (Absent: Himelein, Muldowney, Starks)
A.C.: Chagnon, Niebel, Gould, Nazzaro

Others: Tampio, Dennison, J. Hansen, Wisniewski, Caflisch, D. Brooks, Crow, Borrello,
DeAngelo, Abram, Green, Barmore, Mihalko, Sweeney, Henry, B. Calhoun,
Heitzenrater, Catanese

Chairman Scudder called the meeting to order at 9:08 a.m.

Mrs. Dennison: My apologies to the Audit & Control Committee that gets to hear this overview. They have heard this story before but from the Administrative Services Committee, I'm going to start with just a few highlights of the budget, some of which you heard from the County Executive and then I'll just give a few clues as to what we have in this big book in front of us.

The proposed 2019 budget does not including any increase in the tax rate. It includes no use of general fund balance. There are significant increases in capital investments and there are no unfunded new positions. That is on a net bases, looking at all the departments. There are additional positions but all of those are funded. The base pay for all of the departments includes only settled contracts and step increases so there are settled contracts in the Sheriff's union and in the Sheriff's Lieutenants union. So for the organizations that you are going to be looking at today, there is no base pay increase because there is no settled contract for CSEA 6300, 6322, or 6323. As I said, there are Step increases and there is a general increase of 3% for managers. Departments have the option to change that if they like, but that is the general assumption that is built into the budget.

Legislator Davis: When did the contract end?

Mrs. Dennison: For CSEA 6300?

Legislator Davis: Yes.

Mrs. Dennison: Well, there was a one – we're in the middle of a one year extension and that extension will end 12/31/18.

Legislator Davis: The (*inaudible*) is what gives the Step increases, I assume?

Ms. Crow: Yes. The 6323 corrections across the – well, not 6323 – CCSEA now CCSEA Corrections, their contracted ended last year so we - they had a reorganization so we are out of contract with them right now but we're actively negotiating.

Mrs. Dennison: Health Insurance, as it was discussed during George's presentation, the rate increase for 19' is only 1.86%, down from about 10% in 2018.

Ms. Crow: Can I just clarify on that. The 1.86% is just the medical component of the premiums within the Health insurance. The blended rate increase is a little different than that, but I will get into that when we review Health insurance.

Mrs. Dennison: There has been a lot of migration to the high deductible health plan and so the budget assumes that in most cases, whatever election people have this year they are going to continue that into 19'. Because of the higher percentage of people on the high deductible plan, the Health insurance premiums for the A, D, and DM fund combined are actually going down \$700,000 compared to the 2018 budget. So that is a nice benefit to the 19' budget. Then we did make an accounting change or proposed to make an accounting change in 19'. Occupancy costs, the cost of the CSEA Union President and the NYSAC dues, used to be distributed or currently are distributed to each individual department. In 19' we're proposing to aggregate those and keep them in the departments where they are managed. So Buildings & Grounds is going to keep all of the costs for occupancy. So most of the operating departments are seeing a decrease in the contractual costs because they are no longer charged for occupancy. But you will see the CSEA President is now consolidated in the Human Resources Department and the NYSAC dues are in the County Executive's organization. So, as I say, there are some accounting changes. The departments were asked to include the- and quantify those changes in their commentary in the budget summaries and they have done that and I also have a summary with those numbers. If you want to know the combined effect of that for any department, just ask me and I have that. So those are kind of the umbrella items.

As far as the documentation, you have the tentative budget, that's the first section here. That was posted on the Internet so this is all available to the public. In general, we've asked the operating units to go through their budget summaries which are behind all of that. So you have the detail behind that for each organization or by organization number and the organization numbers are on your schedule so that will be the tabs that we'll be using. Behind those tabs we have the budget summary and then line item detail behind that. So in general, we've asked, as I said, the Department Heads to go through the summary document, page by page, elaborate on any of the commentary and then refer to the line item detail as necessary.

You also have a couple of other documents in your binder. You have five year projections which you will be reviewing later and then there is also the 12 month rolling average so you have actual data for the past 12 months, July of 17' through June of 18', so 12 months of actual versus the 18' budget and versus the 19' budget, summarized for each department. That's the overview report.

Finance:

Ms. Crow: Good Morning, I'm here with Jim Caflisch, Director of Real Property Tax and we'll in combination review the Finance Department. These are the administrative departments of Finance. Real Property Tax and Insurance which is just Worker's Comp and Liability now under me, whereas Health insurance now is a component of Human Resources Department. So overall the budget for those three administrative departments is reduced by \$93,000 or 4.7%. We'll go through the details of that again. As Kathleen already mentioned, a big part of that is

the change in occupancy fees that were previously charged to our departments. Moving on to the next page which is review of the positions. For department 1310 Finance, we had a change in allocation. Previously more of my time was allocated to the Insurance office, 1710, which earlier this year we amended the budget to kind of break that out. The Health Insurance component into its own sub department within HR so we kind of changed all those allocations and less of my time now is allocated out of the Finance Department specifically for work I was previously doing for Health Insurance. So, that is a .3 of me, really coming back to the Finance Department. Real Property Tax, I'll let Jim talk about his changes there.

Mr. Caflisch: We really didn't have to much change in our positions. There is a little bit more allocations just because we had one person who was doing GIS and tax map work, that allocation changed a little bit when he came over to by my assistant so the allocation changed a little bit from I.S.

Ms. Crow: And then again, the Insurance Department, 1710, that includes the employees that handle our Worker's Comp program and Liability insurances. Again, previously there was one full FTE and part of myself in that department that was associated with Health Insurance that now the one full time person is moved under the HR Department and Jessica will talk about her organization later.

The next page is just, a by classification summary of the first page so I'm going to move from that to the first department which is at the top left coroner would be A.1310 for Finance. Just to highlight the changes here, the .1 personnel services and I'm going to be repeating myself here but that was mainly from some of the changes in the allocations that we did for Health Insurance coming back into my department. Other than that there weren't – the contractual costs. There was a \$39,000 adjustment out of the department for the occupancy charges. Another reduction here was previously our credit card transaction fees were recorded in Finance as both an expense and revenue because when we allow people to come in and pay us by credit card, we incur a cost but are able to pass that transaction costs to the person paying with their card. We now, for 2019 – well, actually we started this year so there will be a little bit of a savings this year. You will see the variance this year as well. Each department specifically that uses credit cards to receive payment, Mental Hygiene, Real Property Tax, OFA, those fees and associated revenues are now recorded within those departments so they are not part of this budget anymore. We also reduced some of the processing fees associated with processing checks so we reduced the cost for check stock and various related supplies. As the County Executive mentioned, we're transitioning to the extent possible, only electronic payment and eliminating checks where we can. We have been doing this for more than a year now but really is on an optional basis for the vendors but the County Executive has asked that we make that the only option. Vendors can chose one of two electronic payment options. Either direct deposit, ACH, or credit card payment. So, I have a team within my department that is working on that transition, reaching out to all vendors, getting their payment option as well as all new contracts and bids as we add new vendors, we'll onboard them at that time. It's actually part of our new terms and conditions so whenever we send out an RFP, the new terms and conditions include that requirement that they must accept electronic payment.

Legislator Chagnon: Are you getting any push back on that?

Ms. Crow: A little bit. We are kind of reviewing those kind of on a one on one basis. Like I said, I have a team in my department that I have assigned to work on this transition and the County Executive has asked to the one to approve exceptions and so they are creating a law of all the ones that we have exceptions. There are certain vendor types as well, like refunds, we might not bother to get them set up electronically so there is a few categories but yeah, some people don't have email and in order to receive a credit card payment with our system, you have to accept an email that gives you a virtual credit card number. Some people are reluctant to give out their bank account for the direct deposit so we're just kind of working through those one on one. But, we're making good progress too.

Employee benefits, the reduction there is associated with health insurance elections from employees of my department selecting the high deductible plan this year. As Kathleen mentioned, we go with at the time of the budget what people have elected as far as not assuming any change for the next year.

Under revenues in the departmental income, there, like I mentioned, the credit card fees for those transactions are now received in other departments. Under miscellaneous, I did increase the budget here for additional credit card rebates that we will receive now. It might not look like much for this year but from the time we started our rebate look back period for the volume of credit card transactions is from like April to March. So for 2019 when we get our - we won't get our next rebate check until next March which will be reflective going back so we won't have had a full year where we've gotten everyone to electronic or credit card payment. I would expect that to be a much greater increase when we get into the 2020 budget.

Chairman Scudder: And why is that? Because we're using credit cards more?

Ms. Crow: Yeah. So we get a rebate. Currently we have our credit card program through M&T and we get rebates based on the volume dollar and (*inaudible*).

Chairman Scudder: We're paying more vendors with credit cards, right?

Ms. Crow: Yeah. Our preferred method of payment is by credit card if they are not able to elect that then we'll pay them electronically by direct deposit which is still a significant savings just getting rid of checks and making a direct deposit.

Legislator Gould: (*Inaudible*) credit card or debit card too.

Ms. Crow: That is for when people want to pay us but when we're paying other people, it's just credit card.

Legislator Gould: But you do take debit.

Ms. Crow: Yes, for when people want to pay us, it doesn't matter to us if it's a debit card or a credit card, it still gets processed.

Legislator Gould: You run it as credit then?

Ms. Crow: Yeah. Any questions on 1310?

Legislator Chagnon: In the detail, of course where I live, I keep asking about communications. Suddenly you have a \$1,000 charge for communications.

Mrs. Dennison: That is for my cell phone that comes out of that. Not all of it, but part of it.

Legislator Chagnon: Your predecessor didn't have a cell phone?

Ms. Crow: I chose not to have a County phone. I'd rather keep my personal phone.

Mrs. Dennison: About half of that and the other half is –

Legislator Chagnon: What is the phone number of that?

Ms. Crow: I use it for work, I just kind of – I know that somebody could FOIL it and all of that but, I don't want to have two phones. That's fine if someone does.

Legislator Gould: I have tobacco settlement, we're still getting tobacco money? I thought that was done. How much longer, I guess?

Ms. Crow: There is quite a lot of time left on those bonds but we do get some small fees in terms of – I think it's about \$5,000 which is really just for – I meet twice a year on that board and then do the minutes and we maintain the documentation on the website and things like that. The County Attorney's office gets a small fee as well as the rent for the space at the Airport which is the official office.

Legislator Gould: Right. That's been a long time.

Ms. Crow: Yeah. Any other questions? So, I'll let Jim review his department, 1330 which is Real Property Tax office.

Rear Property Tax:

Mr. Caflisch: The 1330 account is the general operational account of Real Property. We had a few changes. Tried to reduce some cost, we had a retirement which reduced our retirement and occupancy change as well as going through some contracts. We reduced a contractual costs and then revenue is just – I try and look at a 3 year running average so my revenue numbers on those are down just a little bit, just looking at the averages.

Ms. Crow: Again, the credit cards because he's one of the departments that will accept credit card payments so that expense in revenue is now in 1330.

Mr. Caflisch: It is a wash though because we charge a convenience fee to everybody who uses the card. So, we can't take less than the amount of the tax owed. So if you bring a credit card in, it's a 2 ½% fee we charge.

Ms. Crow: We're legally not able to charge more than what it costs us, what our fee is.

Legislator Nazzaro: I didn't use my credit card but when I went to pay my taxes, I noticed it said 2.85%.

Legislator Davis: That might be what they are paying their processor.

Mr. Caflisch: We can't charge anymore what it costs so that is about what it costs.

Legislator Nazzaro: So you must be paying a lower rate?

Mr. Caflisch: Yes.

Chairman Scudder: Or we'll just assume that, huh.

Legislator Gould: Other supplies dropped quite a bit. Went down \$3,000. How are you going to be able to survive without any supplies?

Mr. Caflisch: In 1330?

Legislator Gould: Yes, 1330.4240. 4190.

Ms. Crow: If you look at the actual in the prior years it hasn't been as much but it's 4190 where some of the computer and also it was computers – when they come on replacement, the budget will go up and down based on if it's a year where you have maybe more than the prior year's number of computer to be replaced. So those are all on a schedule.

Legislator Gould: That's a common answer I get every year. Why couldn't we keep it flat somehow?

Ms. Crow: Well, it just depends on when the original computer was purchased for that individual employee and then they're forever on a three or four year replacement schedule.

Mr. Caflisch: Actually I've been good. Mine are 6 years old so we're getting new computers, actually right now because we're having a few issues.

Legislator Chagnon: A lot of office supplies, 4100., 60%.

Mr. Caflisch: There are some supplies that we buy biannually. Mailers, envelopes, when we get a shipment in they will last a longer period time just because we buy in bulk and it just goes over sometimes.

Legislator Chagnon: In 2016 you spent \$2,100, 2017 you spent \$1,800 and now you want to go to \$4,000?

Ms. Crow: We can look at the detail and get back to you.

Mr. Caflisch: I can't remember why that jumped.

Legislator Chagnon: And then other contractors, 4590.

Mr. Caflisch: That is our software development support.

Legislator Chagnon: We're increasing 24%.

Mr. Caflisch: It's just the way that we have to do the licensing, which is every other year and trying to think of some other costs.

Ms. Crow: Wasn't there changes that Razock(?) had to so for some of the changes in the multiple payment, any of that stuff?

Mr. Caflisch: We're also looking at a major change next year with the New York State software, the Real Property system before it's going to go over to what they call, "Bases". We don't know what those cost are going to be to integrate the property records side, assessors, over to our past collection side. We're anticipating some costs to reprogram to bring that in. That is part of the other issue.

Legislator Chagnon: Are we sure it's going to happen next year?

Mr. Caflisch: Oh yes. There are 12 or 18 municipalities in New York State, counties, cities and towns which are in beta mode testing right now so that conversion is underway and the State has contract – was let last year so they are in beta testing right now so next year is the start of the roll out so I just want to be prepared in what we're going to run into if we have a problem. I can't anticipate – I don't have any of the information yet from the State how we're going to do this or what issues we would face.

Legislator Niebel: Any department whose overall local share decreases by 4.7%, I haven't got a lot of questions for but I do have one for the Tax Department. The increase in the overall valuation of the County property for 2019 is 2.2%?

Mr. Caflisch: Roughly, yes.

Legislator Niebel: Do you anticipate any changes in that between now and the time that we adopt the budget?

Mr. Caflisch: Depending on any Article 7 settlements that come along could change that number. Not very much so the number is pretty good.

Legislator Niebel: So we can kind of bank on 2.2%?

Mr. Caflisch: Yes.

Legislator Niebel: Just out of curiosity, what was it last year?

Ms. Crow: If you go to the very front of the book, under the operating budget tab, is your local share spread sheet. The first page is the current year, second page is 2018 and the bottom right hand corner shows the full valuation for 2018. Look up on the top Terry, bottom right hand corner on that page you are looking at and then the next page shows you the change from the prior year.

Legislator Niebel: Kitty, I actually don't see it. What was it last year then? I'm talking about the percentage change.

Mr. Caflisch: Probably about 1.8 or 1.9.

Legislator Niebel: It was under one as I recall.

Mrs. Dennison: Terry asked this yesterday, the change from 17' –

Ms. Crow: From 17' to 18' in the full valuation. (*Cross talk*).. I think the year before that it went up a little bit more than that. He was looking really for the change from 17' to 18, not 18' to 19'.

Legislator Nazzaro: Well the year before, 2016 to 2017, I know what he wants (*inaudible*), increase because –

Ms. Crow: Kathleen got it for him.

Legislator Niebel: It's .8 in 2018, and it's 2.2 for 2019.

Legislator Nazzaro: It went up about three times as much.

Chairman Scudder: Almost, like 2.74. Do you have a question?

Legislator Nazzaro: It's about education, (*inaudible*).

Ms. Crow: For 1330?

Legislator Nazzaro: Actually budgeting less I noticed.

Ms. Crow: Training and registration, that went down \$1,200.

Legislator Nazzaro: It actually went down \$1,200 in 2016 (*inaudible*) 17' you spent \$1,900, so far the first six months it's been \$2,100, so then you are going up to \$2,500. I just trying to understand what (*inaudible*)...

Mr. Caflisch: That is the time we spend with the software developer to train and look at different aspects. New procedures in our software program.

Legislator Nazzaro: So it's sort of tying them to what Pierre asked.

Mr. Caflisch: Yes.

Legislator Gould: Other contactors, 1130.4590. Is that the auctioneers?

Mr. Caflisch: No. That's our Pittsburgh software developer. That is the software – part of the tax collection software. We don't have any auctioneer expenses per say. Any expenses with the auctioneer are buyer premium paid by the buyer at auction.

Legislator Gould: Spending a lot on stuff, aren't you?

Mr. Caflisch: It's complicated.

Ms. Crow: The cost of doing business.

Legislator Gould: That much?

Ms. Crow: Yes. It's a pretty complex system that has to work right.

Legislator Gould: There is \$150,000 right there.

Mr. Caflisch: Our software costs are lower than most other counties. I've done a little bit of checking out there so again, you have, I don't know, there's six or seven bound volumes of New York State Real Property Tax law to conform to. All the different scenario's we have, on line collection we now have with the communities. Municipalities, schools, across the County so it's a pretty involved program that we use. It's responsible for \$71/72 million dollars of real property tax collected and our office collects about \$17 million annually.

Legislator Gould: It just seems excessive.

Mr. Caflisch: It's helped us eliminate two positions over the year so that is pretty good. It's probably one of the most complicated software that the County has.

Insurance:

Ms. Crow: Any other questions on 1330? I'll move onto the Insurance office. So department 1710 which is Insurance and administration of our Worker's Comp program as well as our Casualty and Liability policies. So all claims go through that office. The personnel services reduction is again associated with the change to have one position moved out of that department over to the HR budget as well as reduction of my time allocated to this department. Although some of my time is still allocated that is associated with Worker's Comp and Liability. The contractual costs were mostly reduced as related to the occupancy changes and employee benefit changes were related to employee health insurance elections. The cost of this department are covered by what we allocate to all of the departments for the cost of the Worker's Comp administration and Liability administration so each other department will have this cost in it so there is no net local share in this department, it's billed back to all other County departments.

Legislator Chagnon: Kitty, the comment that reduced cost for administration of Liability Insurance, can you explain that?

Ms. Crow: Once we made all these changes, it was a little easier, more transparent to see the actual costs associated with Worker's Comp, Liability, and Health Insurance now. The previous model for the Liability Insurance just kind of had a plugged number of "x" amount included for administration, so I'm now using – I start with the Worker's Comp formula because that is more specific and by resolution what is included in admin and the majority of the work, I would say in this department is associated with Worker's Comp. So, most of this administrative costs goes to Worker's Comp, the remaining balance is now included in the Liability calculation which was significantly less than what was kind of a number that was used before. So overall, that reduces the cost that is charged out to all County departments.

Legislator Chagnon: So what you are saying is that the overall cost of administration is reduced not that it was transferred from Liability to Worker's Comp?

Ms. Crow: Correct. I didn't transfer to the Worker's Comp. It's just using the actual number whereas before it was using just a –

Legislator Chagnon: A plug number.

Ms. Crow: Basically yes. Any other questions on that department, 1710, in the detail or anything?

Legislator Gould: I'm just curious on 1710.4770, postage. You had it at \$2,500 last year, (*cross talk*) \$2,400, went to \$400.

Ms. Crow: Previously Health Insurance was included in this department 1710 and there was a lot more mailers that went out for like open enrollment and things to retirees. Majority of the postage costs really now more in the new HR sub-department for Health Insurance so I only budgeted a little bit here based on kind of more of what we have been spending this year.

Legislator Gould: Should be closer this year.

Legislator Chagnon: Jay, you are not going to ask about your favorite, other supplies that went up 143%?

Legislator Gould: I'm sure she will probably talk about that before we're done.

Ms. Crow: We do have one computer replacement I know scheduled for next year. At least one. There is only 2 ½ people in that department.

Legislator Gould: That is a standard answer we get on other (*cross talk*). I know the answer so I don't have to ask.

Chairman Scudder: But thanks Pierre for asking for Jay.

Ms. Crow: There must be two scheduled. I know for certain one is scheduled but there maybe two scheduled for next year.

Chairman Scudder: That 143%, what is the dollar amount?

Legislator Chagnon: A thousand dollars.

Mrs. Dennison: There is one replacement scheduled in that department for \$700, so \$700 or the \$1,700 is a computer/PC replacement.

Legislator Gould: We still have a thousand left.

Ms. Crow: When I was doing this budget it was a little – it was hard to know how much of supplies that were associated with Dennis and Nicole versus Health Insurance so some of it was a little bit of a guess to just kind of make an assumption what they are going to spend with just what they have left.

Legislator Gould: Don't say a guess just say a gray area. (*Cross talk*).

Ms. Crow: It was my best projection. Going forward now that they are separated, we'll know better what the actual trend is going to be going forward but this is the first year that we had that change.

Legislator Gould: Try and find other words other than other. I never use other.

Ms. Crow: O.k., I can move on but you are scheduled for a break.

Chairman Scudder: As long as we keep moving and we can give Human Resources up here early if we need them.

Ms. Crow: Were not close to HR yet. We still have miscellaneous, projections, (*inaudible*). We're only running 15 minutes ahead right now.

(*Cross talk*)

Miscellaneous:

Ms. Crow: We'll go onto department miscellaneous which is the very last tab in the back of your book. So, overall this area increased \$1.1 million dollars but I wouldn't say that – it's a little hard to talk about all of these items and aggregate because they really are stand-alone but they are kind of lumped into one subgroup miscellaneous so I will just move on to go through each department.

The only department here that has any staff is 1989 which we'll get to but that's the tax rolls maintenance and process. So some of Jim's staff is allocated to that department which is fees that we bill out to –

Mr. Caflisch: Processing fees to all the municipalities and schools for tax bills and tax rolls.

Ms. Crow: So we do allocate to get the more real cost in that department. So we'll move onto department 1310.9999. There is a lot included in this department but the big items are sales tax. Starting with that, our sales tax projection – sales tax right now have been coming in very strong again. We did have a surplus last year, we are tracking to about, right now, through payment that we received through September, about an \$800,000 surplus this year and statewide sales tax has increased pretty much across the board in all counties. It's a good trend of the Feds increasing rates and some of the current discussion. Some economists I know are talking about a down turn in a couple of years from now but we'll deal with that I guess when the time comes. But for now, what this budget represents is, budget year to budget year, it's approximately a 4% increase but the percent increase that I – the model takes all of the receipts that we've received, the actual year to date plus the remaining budgeted payments and then I applied 2 ½% to that number for each payment so that calculates the projection. So budget to budget it's a 4% increase. Its 2 ½% of our year to date actual plus the remaining year budget has increased by 2 ½%. It's a good trend.

Legislator Davis: Are we selling that many more goods and services or is it on-line? Do we get money for that?

Ms. Crow: The on-line sales tax issue is a big issue right now at the State. The Federal government just changed some laws but I was at a conference last week and that was one of the topics of discussion because they are trying to pass legislation within New York State to find a way to be able to collect more sales tax revenue on on-line sales but right now it is a challenge. There is an opportunity there but it's going to take more legislation to get that collected.

Chairman Scudder: Did you take into account the Fredonia Hardware closing?

Ms. Crow: Actually we increased that because the new restaurant moving into its place is really good and I anticipate that there is going to be a spike in revenue there in Fredonia.

Chairman Scudder: Good answer, thank you. And we won't be employing more people also so I'm going to talk to the IDA later to see if they want a reservation for next June.

Legislator Nazzaro: Do you have a restaurant?

Chairman Scudder: It's coming. We'll save that for the break. O.k., I'm sorry. Mr. Nazzaro, do you have a question?

Legislator Nazzaro: (*Cross talk*) percent increase. Is that based on June numbers? What period of time?

Ms. Crow: It goes through like our August 13th payment.

Legislator Chagnon: You've taken that year to date actual and you've increased that by 2 ½% for an annual rate for 2019. So we've seen an increase year-to-date in 2018.

Ms. Crow: Yes.

Legislator Chagnon: So your expecting that increased rate in 2018 (*inaudible*) to increase another 2 ½% next year?

Ms. Crow: Yes.

Legislator Chagnon: Is that too aggressive?

Ms. Crow: Last year, the same model we used approximately 2% but we really are running – I mean, we're going to have to our budget an \$800,000 surplus at least this year and that includes payment through the end of September that we now have since this budget was developed. So we're on track to meet that. I'm certainly always happy to be more conservative in the budget but I don't feel that it is unrealistic. I don't think that it's overly optimistic. Unless something drastic changes, our payments have been coming in pretty strong and compared to the prior year, we also so an increase.

Legislator Chagnon: So you are projected for 2018, compared to 2017, how much of an increase?

Ms. Crow: That number I don't have off the top of my head but I can get that for you.

Mrs. Dennison: I'm sorry Mr. Chagnon, what was the question?

Legislator Chagnon: The projected for 2018 total compared to 2017 actual.

Ms. Crow: I'll get that for you because you won't have the most up to date projection.

Mrs. Dennison: You don't want me to use the one that's in here?

Ms. Crow: No, because I have more payments come in since I made this projection.

Legislator Chagnon: What I was thinking Kitty is that, I heard you say that the 2018 budget projected a 2% increase and you are beating that by \$800,000 so 2018 is going at a rate of an increase of 2 1/2 - 3%. Now we're going to increase that another 2 ½% next year. That is where I get a little weak in the knees.

Ms. Crow: O.k., usually you guys are asking for the opposite. Last year we increased it.

Chairman Scudder: The increase is basically the same from the previous year.

Legislator Nazzaro: No. We're upping the increase over 2018.

Ms. Crow: The 2 ½%, it could be more than that if we just assume the same trend if we're going to keep getting the same payments but I was reluctant to go higher than that but I wanted to also be realistic to what our number could (*cross talk*).

Legislator Nazzaro: Eventually it will and you are right Kitty, (*inaudible*).. and its people asking, my wife in particular said, gee, why do you go to the budget meetings, you have a zero percent increase, you are not using any fund balance, (*inaudible*) and I said we have to make sure it's realistic too. We budget a little bit different (*inaudible*) presented normally what can strike (*inaudible*)...

Chairman Scudder: But the increase is always a hope but a conservative hope is what we're looking for.

Legislator Chagnon: Realistic.

Legislator Nazzaro: I think eventually the economy is (*inaudible*) cycle and we're in year nine, I guess, recovery. (*Inaudible*) right along because people have been spending. So people have been buying cars and things like that. They made a lot of major purchases and what (*inaudible*).. It would be interesting to see.

Chairman Scudder: But the costs of goods is always going up so your percentage of tax –

Legislator Nazzaro: And the price of gas has gone up. Before (*inaudible*) we had a cap on that.

Ms. Crow I will run some numbers this afternoon and I'll come back with some more data for you. There are other areas here that I do have concerns about which we'll talk about in just a couple of minutes.

Legislator Chagnon: Just using some round numbers you are saying that you are now projecting 2018 actuals to be \$800,000 over budget.

Ms. Crow: Correct.

Legislator Chagnon: So if I add that back, \$800,000 to the budget and then divide that by 2017 actual, it's a 4.3% increase. You are projecting 2018 to increase 4.3%, another 2 ½% next year so really you are not projecting the same trend to continue. You are projecting a slightly reduced trend but still an increase over (*cross talk*)...

Ms. Crow: Budget to budget.

Chairman Scudder: It's that basically what you did last year?

Ms. Crow: I used the same model, yes.

Chairman Scudder: It was the same model last year.

Ms. Crow: But the percent was, I believe, 2% that we used last year but I was looking at really where are we.

Chairman Scudder: O.k., let's get to the bad news.

Ms. Crow: I have to be honest, I lost – let me see if I can find my notes on that one because I – oh, this is the interest and penalties on your stuff.

Mr. Caflisch: My Real Property Tax stuff.

Ms. Crow: That is related to the interests and penalties on delinquent taxes just based on -
Mr. Caflisch: It's historical trending.

Legislator Chagnon: People are paying more of their taxes on time.

Mr. Caflisch: It looks to be that way, yes. Less parcels that are delinquent. As the economy has improved, it's helped that issue a little bit.

Legislator Nazzaro: What (*inaudible*) from 2017 actual was one twenty eight. We went up to \$3 million budgeted. That was a huge (*inaudible*).

Ms. Crow: Did we anticipate a big penalty for anything? Prior to that, I think that we had some higher –

Mrs. Dennison: 2016 was \$2.6 million actual in that category.

Ms. Crow: So I think for the 2018 budget we increased it to that \$3 million because the prior years had looked like it was going to be more but we only received almost \$2.6 this year.

Legislator Nazzaro: I was telling Pierre, from the budget standpoint it may not be the best thing but for the economy that's the (*inaudible*) trend. Where people are paying less (*inaudible*) working and being able to pay on time.

Mr. Caflisch: Yes, as the economy improves, that number should get better.

Ms. Crow: The next departmental income there, the cost allocation plan so things like the occupancy or other administrative costs, we create a cost allocation plan which we are able to get reimbursement from departments that – like HHS can get State reimbursement but that's recorded in their department but we charge out to the enterprise funds administrative costs so that shows up as a revenue in this department. Each year it's based on what the actual cost of administration was so there will be fluctuations year to year.

Legislator Chagnon: (*Inaudible*) time studies?

Ms. Crow: Time studies, number of transactions. The cost for purchasing is allocated based on the number of purchase orders each department does. Things like that. So, each item

has its own methodology for allocation and they take the actual cost and then we record that transaction.

New York State Aid. This is where we have the Tribal Compact revenue. If you may have heard recently in the news, this is over the last 14 months has been an issue between the State and the Seneca Nation in regards to their compact to share casino revenues. We, in this year, had budgeted \$750,000. Last year – their compact ended midyear last year and they have not reached a new agreement. The Seneca Nation believes that their obligation is completed and no more revenue share is due. The State has a difference of opinion. They're going to be entering – they are in arbitration. The status that I got as of last week when I was at the NYSAC Conference is that each side has picked their arbitrator but they haven't agreed on the third mutually agreed arbitrator. Although this last week the Governor gave some money to Niagara County to help them through because about half of their budget comes from this revenue whereas ours, it's \$750,000 is a big chunk but it's not nearly as significant in terms of our operations as some other counties.

Legislator Chagnon: I need to clarify the State gave Niagara County a loan.

Ms. Crow: Loan, yes.

Legislator Chagnon: In anticipation of a settlement which gives me a little more confidence that they really will have some type of a settlement.

Ms. Crow: I'm not sure I have the same confidence although I like to think that. I've not gotten any other – I think that if they don't reach an agreement, yes, I think at some point the State will probably provide some assistance maybe similar to what they did for the power plants and maybe taper that offer over a period of time. But, I have not gotten any optimistic comments from NYSAC at all about where we might end up on this issue. I think this \$750,000 that we continue to budget for 2019 is, in my opinion, the one area of real risk in this budget.

Legislator Chagnon: Another perspective is that you received half a year's payment in 2017.

Ms. Crow: In 2017 we received what they considered to be their last payment and then their contracted ended.

Legislator Chagnon: Which is half of what was anticipated.

Ms. Crow: I can't recall exactly but I think it was a little less than half of what we budgeted for that year.

Legislator Chagnon: Right and for 2018, we received nothing so in 2019, if we received the normal amount which normal in the past was \$750,000, but, there is a chance that there would be some restoration of 2017 and 2018 that didn't occur.

Ms. Crow: I have no idea.

Legislator Chagnon: So even though \$750,000 being normal putting that in the budget may be optimistic. If there is a settlement, even at half of what has been in the past and they restore what was missed in the past, it was (*inaudible*). I used to work in sales.

Ms. Crow: For full disclosure, I just want to let you know what is in the budget.

Legislator Chagnon: There is a risk there.

Legislator Nazzaro: How much is that \$1.596 million, that is not a (*inaudible*)?

Ms. Crow: No. Some of the New York State aid in there, some of it aid that we still get for the NRG pilot. I think we're in the third of the State assistance.

Legislator Nazzaro: So for my notes, how much in 2019, \$750,000?

Ms. Crow: For the tribal compact?

Legislator Nazzaro: Yes.

Ms. Crow: Yes, \$750,000 is included in the budget.

Mrs. Dennison: Seven twenty five.

Ms. Crow: Oh, o.k., sorry. I admit my note was wrong here. I'm mixing that up with the energy fund.

Chairman Scudder: Is that your question?

Legislator Nazzaro: My question and I guess, this is a delicate one because right now you don't have an agreement. Putting in revenue that – right now it's not (*inaudible*).

Chairman Scudder: The excess sales tax will take care of it, won't it?

Legislator Nazzaro: We already have that in here.

Chairman Scudder: That was sort of a joke.

Ms. Crow: Unless you have any other questions on the compact or NRG, the inter-fund transfer include in that is the \$750,000 – I guess not everyone was here yesterday when I discussed this but in the energy fund we are getting close to signing a contract with a new contractor to change the operation there at the landfill. The current contract language is that they would advance \$1 million dollars of the first year revenues which the first year was projected to be 2020 of them having revenue and the contract is that we will have a fixed revenue of a \$1 million dollars plus an additional revenue share on top of that. So we know that we have a guarantee of a million per year in the contract with the new vendor. Again, they agreed to advance \$1 million dollars at signing so we're projecting that the contract will be executed this

year and therefore that million dollars will go into the energy fund, fund balance. We already have a little over \$2 million dollars of fund balance in the energy fund. As you may remember from the 2017 actual, we did run at a loss at the energy plant and we are projecting to run at a loss this year and in 2019 so we will use existing fund balance in the energy fund to offset the operation loss. But then we're going to use \$750,000 of the million that we're going to receive this year as revenue to transfer from the energy fund to the general fund. Now we used \$750,000 there because then in 2020 we don't want have a big blip so in 2020, we'll still have \$250,000 of that original million left plus we will begin the revenue sharing component and so year to year, hopefully it will – in the projections, I'll get to that a little bit later. Keeping having another \$750,000 for 2020 and then beyond we should expect to see that increase ramp up. So that \$750,000 here. The additional amount of \$52,000 is being transferred from the net profits of out of County waste from the landfill. Just to refresh your memory, that's based on actual profits from the last full year. So last full year was 2017 so we did have some profits to recoup from that year. Any questions on those revenues?

Jim has a couple of these other sub-departments. 1355 is Tax Assessments.

Mr. Caflisch: 1355, that is the account established for legal defense for Article 7, the litigations we're involved in with Level 3 Communication. So it's holding steady right now. It's hard to anticipate litigation fees. We do have several big Article 7's being initiated. One being the former SAMS Club in the Town of Ellicott. That is a big one. A couple of hotels so there could be some additional costs coming from that.

Legislator Chagnon: Is the Level 3 one (*inaudible*)?

Mr. Caflisch: No. We're headed for the New York State Court of Appeals. After one more round in the 4th Applete Division in Rochester, so we'll have some litigation costs going out at least until June of next year.

Legislator Chagnon: You are projecting \$15,000 reduction?

Mr. Caflisch: Yes, because it's kind of a wound down a little bit. I don't think we're going to have a lot of expense but it's hard to anticipate. We just looked at our trending and saw what costs we had in some litigation.

Legislator Chagnon: This information made it sound like we're going to have increased costs. These other big litigations on the horizon.

Mr. Caflisch: It just depends. Again, our portion depends on how far it goes. We will participate with the municipalities and school district and our portion is roughly 37 or 38% usually.

Legislator Chagnon: What you are saying is, the SAMS Club and the hotels may not go too far (*cross talk*).

Mr. Caflisch: I'm hoping they are going to settle quicker, sooner rather than later.

Legislator Niebel: This is for outside counsel?

Mr. Caflisch: Yes. When we participate with the town, usually it's a Town Attorney or if they hire experts, we participate in that.

Ms. Crow: I just have one quick point of clarification. I'll get you the sales tax numbers but in this classification back on the previous department, the non-property tax items, also included in that total are the Town share of the property tax and the Off Track Betting revenues. So, it's not just the sales tax. So when you're calculating anything off of here, that includes a couple of other smaller items. O.k., 1362.

Mr. Caflisch: 1362 is our Real Property Tax accounts for per-foreclosures. This is where we go out and search properties primarily. We contract with that. You can see the contractual costs there and then revenue we derive from the service fee we apply to anyone who is more than one year delinquent. We apply a service fee and that is the revenue. Service fees are jumping up a little bit and it's kind of odd that the total interest has dropped a little bit but the service fees are up. So people are waiting sometimes a little longer but they get it paid in that second year so they don't go into foreclosure.

Ms. Crow: O.k., 1364.

Mr. Caflisch: That's our post-foreclosure account. Those are the costs associated with the auction pretty much. We have not a lot of extra costs there. I will give you example how I saved some money this year. In there we have building maintenance there too. We had a structure out on Jackson Avenue. We were cited, State wanted it – it wasn't – the boarding up had been kind of falling apart so I asked DPF if they could help me out and the response I got was, we don't have anybody, contract with somebody to put to a fence around it. The fence is going to cost \$12 to \$15,000 so I went out and purchased about \$600 worth of materials myself and took another person out with me and we boarded it up. That is a few pennies saved there but that is what we had to do. Just an example.

Legislator Chagnon: No wonder our Worker's Comp insurance is going up.

Mr. Caflisch: I didn't get hurt on the job.

Ms. Crow: Jim insisted that he was going to be safe but I was a little concerned about the project.

Mr. Caflisch: We didn't have to go up or down more than three steps. I had a step-ladder to get to the windows that we had to do.

Legislator Chagnon: Well, thank you for that Jim.

Mr. Caflisch: Those are the kinds of things that we can do sometimes to save money. However, I will tell you the State is after us again now on foreclosed properties that we don't sell

at auction. They are requesting that we take responsibility for those structures. It's going to be an interesting dialogue here in the next couple of weeks when those folks –

Legislator Chagnon: Then we'll do it just like the banks do.

Mr. Caflisch: That is what we've been telling them and they don't like that response.

Legislator Chagnon: As soon as they get the banks in line we'll get in line.

Mr. Caflisch: Yes, so we'll see what happens.

Ms. Crow: The next one is PILOTS. So \$83,000 of that increase is associated with the Wind Turbine project. The County Executive reluctantly put that in the budget. Other than that it's just our standard PILOT list. I get an update from the IDA each year on PILOTS to include. Some of the new hotels that have opened. We won't start to receive PILOT revenue for another year or two because of the way the PILOT is structured. I guess for tourism it's not in the first year. After that, municipal sales tax, that is the expense of us sending the sales tax portion to municipalities that comes into us as a revenue and out as an expense when we send it to municipalities. The 1989, the tax rolls maintenance and process, again, that is billed out to – the costs associated with that is what is billed to municipalities for the maintenance of the tax rolls. Community College, we're trending down a little bit there so I've budgeted what I am projecting for our costs to be this year. The next one is just the fire service loans that we give out every pay into this account. Under debt services, 9730, just a couple of changes here. This is pulled together – you know, we have a debt service schedule so we schedule out all of our payments for all of our existing bonds. For JCC in the 2018 budget, I included the expense – we used to do it where we would pay the bond payment and then they would reimburse us for that third dormitory that they did where we acted as the borrowing agent. But now the arrangement that we have made is, when I get the wire instructions, I send it over to them, they make the payment directly so we don't have to do a back and forth. So, there is no longer that expense or revenue in these figures. Mortgage tax revenues; again we've seen a good trend there for many years, they are pretty stagnate. In 2017, we did see an increase and we're projecting about the same for this year. I had budgeted a slight increase for 2019 in mortgage tax. Transfer to capital; so investment earnings – this interfund transfer account includes transfers from the reserve – what we are going to use out of the reserve for capital as well as our investment income that we use for capital projects so our investment earnings for the general fund are projected at \$616,000 and the remainder there is the amount that we're using from the reserve for capital to fund the proposed capital projects in the budget. The investment earnings projection is at – used the 2% increase on our fund balances. Some of the allocations did change because some of the other funds do have a different percentage of fund balance that is allocated to all the other funds based on their percentage of the total fund. I have the historical for you that I'll give to you.

Legislator Chagnon: For 2018, we projected interest earnings at 2%?

Ms. Crow: Actually the 2018 included a 2 ½% increase. Or 2.4% was used in the 2018. I used 2% - it did change a little bit, the model, because I actually went back and got the historical fund balance over a 12 month period and updated the – what we take is the two year average for

each fund, what their percentage of total fund balance is to use that in the allocation of interest earnings.

Legislator Chagnon: I will look at that on line. My question was, what is your estimated interest earnings percentage (*cross talk*)?

Ms. Crow: That is kind of a complicated question and answer. The way that this model was set up was just using a straight percent but we don't – right now our yield is running about 2 ¼% on our portfolio. But we have to book to market value so right now, like on the books, it's showing that we're running at a loss for the year. But, when all those mature, we're going to have income. Right now it would be projected at 2 ¼%. So for next year, this model, and I haven't really found a way yet to create something different although I do have a group that is going to be working with me to review all of our bank fees and portfolio and things like that. So we might come up with some new ideas in terms of creating a model to project investment earnings. So, the model that has been used before is just a strict percentage on what our fund balance is. I don't think that's – I think that it makes it look too optimistic in a way because that's not actually how – I mean, all the funds are managed different. We have some in the money market, we have, based on our strategy, what we are purchasing in treasuries each year to come due when we have our pension payment, and then we have our regular bond holdings so there are a combination of all these things and I would like to try and work on a better model to have a projection for each component of our earnings. So right now, it's just projecting 2% on our fund balance. In 2018 it was 2 ¼%.

Legislator Chagnon: So our experience has been we're yielding 2 ¼%?

Ms. Crow: Yeah, just last week I had a review with one of our brokers and that is what our portfolio is as of today.

Legislator Chagnon: You are projecting slightly less for next year?

Ms. Crow: Yes, because I wanted to be more conservative on this because like I said, I don't think that we have the best model yet. I mean, our yield in our strategy and goal is 2%. I think that these were kind of separated out but really the total is just under ninety nine fifty, I think, this last page – I think they should be combined because they both say transfer to capital.

Mrs. Dennison: There is just one sub department.

Ms. Crow: Oh, yeah. I think I meant it, just report it in total but.. So, I can keep going. The next was the fund balances or if you wanted to do a break.

Legislator Chagnon: I have some questions in the detail of the miscellaneous. Unless Mr. Chairman wants to take a break.

Chairman Scudder: Oh, let's take a 5 minute break. (10:53 a.m. -11:04 a.m.)

Legislator Chagnon: Miscellaneous, the sales of expired properties, we've seen a pretty dramatic increase in the loss there, (*inaudible*) loss, right?

Ms. Crow: Yes, that is the auction, the loss from the auction.

Legislator Chagnon: That is the loss at the auction so do we expect that trend to continue? Do you have any estimate as to what the loss was that we actually incurred in 2018?

Mr. Caflisch: The biggest loss was that parcel we had in Cherry Creek which had a huge expense against it. I don't believe that we're going to have that situation again. I can't foresee it. So, are we projecting a loss Kitty?

Ms. Crow: Two hundred thousand.

Legislator Chagnon: What is that number Kitty?

Ms. Crow: In the 2019 budget its \$200,000.

Legislator Chagnon: What do we expect 2018 to be?

Mr. Caflisch: It's probably going to be in that range and I will give you kind of a little bit of reason why. The Land Bank acquires properties –

Legislator Chagnon: Let me interrupt you a minute Jim. This shows 2018 amount through June of \$412,000 loss.

Ms. Crow: The actual loss for this year was \$412,000. That is already booked, that's it.

Legislator Chagnon: And now we are projecting next year to be half that?

Mr. Caflisch: Right because we are not going to have a situation where we have that one parcel, the Cherry Creek. That was in this year's auction. I don't anticipate another situation like that. I don't think that we have any more that I can recall with those kind of fees attached to them coming up.

Legislator Chagnon: So, 2016 was \$778,000; 2017 was \$436,000; 2018 is \$412,000 and now it's expected to be \$200,000?

Mr. Caflisch: Correct.

Legislator Chagnon: Now Jim, I apologize for interrupting you but you were explaining the Land Bank.

Mr. Caflisch: The Land Bank acquires typically around 20 properties and those properties are typically within – the Legislature sells them to the Land Bank for a \$1.00 apiece. So the revenue that you would normally get from those properties would be somewhere, I'm calculating

now on an average basis of \$11,000. So, that's probably where – except for vacant lots, so it's probably 17 properties and structures so you are looking at about \$190,000 and you have the small parcels so that's where you are going to anticipate the \$200,000 cost of that auction going forward.

Legislator Chagnon: So you are anticipating that the loss on the properties that are transferred to the Land Bank is all that we're going to incur in terms of auction losses? *(Inaudible)* our option would be you'd break even.

Mr. Caflisch: Pretty much break even, yeah.

Legislator Chagnon: Mr. Scudder, are you good with that? Since you are my auction expert.

Chairman Scudder: Overall I am good with that. We'll talk about it at lunch.

Mr. Caflisch: Again, if we don't lose parcels to go to the auction, that's some of the issue too. *(Inaudible)*.

Legislator Chagnon: My last question is regarding the next section down which is fees. This indicates that we're seeing a 59% increase in the fees to the landfill. 106% increase to the North County Water District and a 29% increase to the sewer districts.

Ms. Crow: This is a cost allocation plan that – the cost for administrative costs are allocated out to the enterprise funds.

Legislator Chagnon: This is based on a cost allocation.

Ms. Crow: Correct.

Legislator Chagnon: That was my question, thank you. Mr. Chairman, I am done with miscellaneous, thank you.

Chairman Scudder: So do you want to jump over?

Ms. Crow: If the Committee wouldn't mind, Dennis is here to assist me with the Self-Insurance and Liability Insurance if it's o.k. and then we'll do the fund balances after that. I don't think these other two will take too long. Self-Insurance is number 43 in your book. Self-Insurance is our - I grouped a couple of these together but right now I'm going to talk about the "M" fund when Jessica is here. We'll talk about the Health Insurance fund together but right now with Dennis, we'll review the CS fund which is the Liability Insurance and the MS fund which is the Worker's Comp. So, these three or we'll just talk about two now but we aggregate, centralize all the expense and revenues – expense associated with our Worker's Comp plan and our Liability plans in these funds and then we allocate that cost out to the County departments and that shows up as a revenue in these funds. So, on your summary pages, I'm skipping forward a little bit to the tab that says CS fund, Liability fund. These expenses here of \$958,000 are

associated with all of our premiums for all of our various policies. Includes our cost of administration which is a component of the general fund department 1710. So, this budget here is fairly straight forward in that, like I said we project all of the policy premiums, premium by premium and again, the administrative costs so it's pretty straight forward as far as the Liability plan goes. Again, I said we did reduce the administrative costs some from the previous model was using just a fixed amount, I made it the actual amount so that reduced the administrative cost a little bit.

Mr. Brooks: One thing that we'll be doing this year, you know, as you know just think of your car insurance, you have a couple of accidents of whatever and your insurance goes up. We do have a fair amount of accidents in a couple of departments and we do have our – our broker is Sloan Melhuish and our actual insurance company is Nymer and that's a municipal insurance (*inaudible*) that we're part of. Since we're part that it's like we're an owner of it. It's kind of almost like being self-insured by it's not, it's a full premium plan so we do have folks from there working with some of our department heads were these accidents occur because we have looked at a loss history and there is stuff we feel we can do with them so we have people from Nymer and Sloan coming down to work with those departments. We already have it set up so that we can - you know, they are the kind of preventable things that drive insurance people like me, crazy, because somebody backs into a telephone pole but body labor costs to fix vehicles these days have gone up a lot in all of that. Hopefully when we bring this program in and it will go from now into next summer, we're already starting some of the stuff. Hopefully even a handful of those fender benders and that kind of stuff goes down. That will at least have some reflection to at least keep premiums and stuff like that flat. That is probably the big thing that we are doing in that fund right now. Other than we're also going to have – they are going to send an outfit out next year as well and we're going to go around and reassess all of our property values. I did it when I first started here four and a half years ago. We like to do it about every five years because your broker will come to you and say, if this building burns down the replacement cost is crazy or whatever, so I like to have them come out so that we can go back to the broker and say, this building did not increase by this much over five years so that we can get a more structured costs on what our premium should be compared to what they think it should be. So that will be happening probably in the late spring.

Ms. Crow: If you don't have any other questions on the Liability we can talk about Worker's Comp. So a couple of things here impacting the County budget. Overall for Worker's Comp, the budgets come down a little bit. Our claims are trending down. Dennis does a really good job of settling claims so it's over time reducing our IBNR reserves and we were able to keep the overall budget that ultimately get allocated out to all municipalities flat this year. There is no increase to municipalities, other than based on their experience or their valuation. So, similar to the Liability fund, so all the expenses for the Worker's Comp fund are accumulated and the MS fund, that includes all the claims for any of the municipalities, any of the claims for County employees and then what we bill out to all the municipalities that comes back to us as revenue and also revenue from the County departments that pay for Worker's Comp. You won't see if reflected necessarily here but imbedded in all the County departments, we did have an adjustment in terms of the net Worker's Comp costs to the County for its share of the Worker's Comp plan. That is due to – we still have some County Home claims coming through but our reserve for Worker's Comp specifically is diminishing so there was less of that reserve that could

be – of the County’s bill for Worker’s Comp that is offset by the County Home remaining reserves. So, that was about \$500,000 and again, next year, there will be no reserves left for that piece. We do have other reserves on the books for the County Home for other liabilities but at the same time we would hope that our claims for County Home employees will have more significantly diminished over time as well.

Mr. Brooks: And it showed that when we sold the County Home there were 58 legacy claims that still had to be runoff for their lifetime. Some of them very, very old claims that people just weren’t going to get off (*inaudible*). The last count working through settlements hoping that somebody that had a claim five years ago where it was a knee surgery didn’t try and come back into the system and say that they were having trouble with it. We’ve got it down to 24 open claims. So we have closed a significant amount of them so that we can get rid of that liability and then of course on a whole host of those claims, we did all the work to at least if we’re going to have them and we can’t close them because people just say no way I’m not giving up my claim, we do have a big portion, I’m going to say at least 10 of them where we have some kind of reimbursement on them. So we’ll pay the expense but then I’ll have the avenue through the 15-8(?) fund through the State or the 25A fund or through access insurance policies that we bought at the time to then go back at the end of the year and say, I paid \$30,000 on this claim this year for this person wages and everything, give that back to me now. So really, I would say those are going to keep becoming minimal over time. We don’t have the kind of exposure that was on the books when the Home sold which was a lot.

Ms. Crow: I know I’m a little bit jumping around and you can’t tell from here but in your detail you’ll probably see a couple other things that I wanted to call out. As I mentioned our claims are – we did reduce the claims cost and we also, just to point out, you might have seen some higher refunds in prior years. Those were unusual one time refunds so that may look like we should have more budgeted for refund but those were kind of one time larger refund that we don’t anticipate to reoccur. Those types of refunds.

Mr. Brooks: They will just be small – one big one that I can remember when I came in here, the County was missing out on – we went and did everything that we did and it was like a quarter of a million dollars. That was because there was a period of a lot of years that made it that much. Now that we have gone and gotten that, this year we might only spend \$15,000 on that claim. I’m not going to let it hide out there for 10 years like it was hiding or the TPA or whoever didn’t go identify that money or find it. So now this year, that same claim, we’re only going to get \$15,000 back for it. So it’s really hard to come up with a number on what your budgeting for refunds and even this year we switched TPA’s and so switching over is no easy task. Kind of some of our refunds are there that we’re going to go get but they are going to be late in getting them and they might not even come back by the end of the year so they won’t even show up in what we had budgeted this year. That’s probably the hardest thing to budget. It’s so fluid because there could be some new rule in the Comp system tomorrow that allows me to take a claim that we thought was dead in the water and we like hey, now that they made this ruling we can go get this refund or whatever. So I think that you budget around \$275,000. It’s usually somewhere in there.

Ms. Crow: Overall, we are budgeting to have about \$133,000 surplus if all things happen as budgeted. We do have right now about a \$3 million dollar negative fund balance in this account but that's inclusive of the reserves incurred but, our IBNR, so is if we were going to seize doing business and had to pay out all the claims as their reserved for now, we would be short \$3 million dollars. So having added a little back to the fund balance helps us get closer to be fully insured basically (*inaudible*) fully reserved.

Mr. Brooks: Which is no small task. I think of the 39 counties that self-insure, that let all the municipalities be in, based on – I mean, we're going to have a lot left over this year to dump into it so I suspect that maybe within a couple of years when some of those old actuary claims fall off and some of these newer ones from 2014 forward take their place and that number comes down, we'll essentially be fully funded which is what we were hoping to do from the get go as far as the plan. Maybe two other counties from the Risk Managers I talked to are even close to that. Most of them don't fund much of it at all. So, we are in great shape.

Ms. Crow: Any other questions on the Worker's Comp plan?

Legislator Chagnon: This is more of an observation than a question. For the contractual for the claims, you think they're trending downward so you have them coming down this year projected, \$200,000 and then you have it projected to go back up next year. That seems counterintuitive to me but the effect of that we should just have more surplus to (*inaudible*) to restore the fund balance.

Ms. Crow: Under the policy – premiums that we –

Legislator Chagnon: I'm looking at the summary page. You have the contractual actually going up from 2018 projected.

Ms. Crow: I kept the Worker's Comp rolls(?) I kept the same but there are other components that are coming – like the Worker's Comp rolls come down a little bit. Accounting services is up a little bit.

Mr. Brooks: Are you talking about just the claims expense directly? Like what we actually pay out?

Legislator Chagnon: I'm just looking at the summary (*cross talk*), you can't tell from that but they are projecting the actual 2018 to be down \$200,000 from budget and they are projecting that total to increase (*inaudible*), projected 2018 next year.

Ms. Crow: Yeah, just because he had some one time –

Mr. Brooks: So really the reason for that is, even now, let's just take the past three years where we've really – you could look at what we spent on actual claims. Those aren't true numbers because if the actuary says you have all these claims open and it will cost you \$16 million dollars to run these over the life of the claims, basically what we're doing is ending the life of the claim with settlements and scheduled loss of uses and things like that that are one time

payments. So it looks like a claim expense in this year and the actuary is going to say, oh, you spent \$100,000 on this claim this year and so they kind of actuate that number out over the whole time. So really to make this look probably like what you are saying, I just have to say, let me not settle any claims in the coming up year and then you see this huge surplus. I think the reason why is because our claims expenses look high but they are one-time expenses as we're getting rid of them.

Legislator Chagnon: You are settling more claims to reduce your actuarial liability in the long term.

Mr. Brooks: So when we get the year and I'm hoping it's maybe 2 years from now, I'm going to run out of these claims to settled because we would have settled so many of them and for all the old claims, the expenses aren't high on them anyway and those people just aren't going to settle their claims. So we're going to have that money budgeted because that is what it says it is and then we're just – I mean, I'm already seeing that this year. There is going to be a significant amount of money left over because even now we're running out of those claims. If you have any other questions you can just come down to see me in the office. We're still doing all of those things and we have a lot of things in the works that have to come to you about. You probably about (*inaudible*) talk with Kitty and George about. I think we have a submission to that possibly so all these fire departments and towns (*inaudible*) with a bunch of stuff and talk of changing the formula of how we actuate this out and plenty of other good fun things that can help this plan become even better. We're still doing that every day and I think the numbers will keep bearing that out and eventually there will come this day when we see this. (*Inaudible*) significantly lower this budget because there will be nowhere else to (*inaudible*) that money. We're getting there.

Ms. Crow: O.k., thanks everyone.

Legislator Niebel: I have a question.

Ms. Crow: The Health Insurance fund we're going to talk about when Jessica is here for Health Insurance.

Legislator Niebel: O.k.

Ms. Crow: I just wanted to do the other two while Dennis was here. I know that it lists fund balances here. I prepared to talk about either Schedule 1 or the projections. I wasn't quite certain what was meant by fund balances.

Legislator Chagnon: What's Schedule 1 refer to?

Ms. Crow: Well, Schedule 1 is the fiscal status that shows the fund balances.

Legislator Nazzaro: And what does projections do?

Ms. Crow: I would like to talk about the projections but if there are questions on Schedule 1 which is under the fiscal status tab in the tentative budget section in front of the book.

Legislator Nazzaro: Other than that, we have the Health Insurance.

Ms. Crow: We jumped ahead with the Liability and the Worker's Comp because Dennis was here. We can go back to fund balance and then do Health Insurance.

Legislator Chagnon: (*Cross talk*) fund balance.

Ms. Crow: O.k., Schedule 1, this schedule shows what our ending fund balances were as of 12/31/17, what we might be projecting for 12/31/18. This is, for the most part, the schedule reflect what was used to fund balance in the current year's budget that would be the change from 17' to 18'. Then it shows the use of any fund balance or reserves in the 2019 budget and what we are projecting for closing 2019. The estimated for 2018 doesn't go into great detail. It's fairly simple, like I said, just taking the ending 2017 less what was included in the 2018 budget. I do want to talk about – the general fund, this represents the unassigned fund balance and the CS fund is really just a reserve within the general fund. So if you look at our financial statement, it will say reserve for self-insurance, that is the CS fund when you are looking at our financial statements. So within the CS fund, we do have about a fund balance of about \$3.2 million dollars. So CS is our Liability fund. A couple of million dollars of that is associated with insurance recoveries that we received after the fire in the building in Dunkirk several years ago. So there is a sizeable fund balance there. Now, I've talked with the County Attorney about how those reserves might be used or not used. Once you put something in a reserve there's accounting rules as far as how you can use them or where they can be transferred to once they are in a reserve. So, for self-insurance, one option that would be allowable would be to transfer some of the fund balance here to the reserve for capital. This would help to kind of restore some of the – we're using a significant – we had an accounting change of fund balances and we are using \$4.3 million of reserve for capital in the 2019 budget. This would help kind of restore a little bit of that and we could bring a resolution to you in the next month or two. I just wanted to bring it up now. We would want to keep in the CS reserve enough to cover say our deductibles on our current policies that we would want to keep but potentially I would say, up to \$2 million dollars, maybe a million and a half to \$2 million dollars, we could transfer from the CS fund and I would recommend a good transfer of those funds because the recoveries were for the loss of a facility and that I think an appropriate transfer of that would be to the reserve for capital. But, I'll just throw that out. There is nothing that we need to do today but I wanted to make you aware that that is an option for us or we could just leave it where it is until we decide there is something specific we want to do.

Legislator Nazzaro: You say CS Liability, what insurance?

Ms. Crow: Liability. So CS fund – like in here, we set it up in our accounting system as a separate fund but on our financial statement if you look general fund, it's actually a reserve for insurance. They don't recognize it as an actual fund.

Legislator Nazzaro: Which insurance?

Ms. Crow: Liability insurance. So Liability and Casualty so that is why when we lost that building in Dunkirk from the fire, we got insurance recoveries, we paid out of our insurance recoveries everything that we did need to replace at the time but as you know, there was not a new building erected or we didn't build a new building since then, so that money has been sitting there in that reserve.

Legislator Nazzaro: So it's not on the restricted fund side?

Ms. Crow: It's restricted in the sense that it is a legal reserve so we would have to, by resolution, move it and because it is a legal reserve you can only transfer it to certain other reserves or –

Legislator Nazzaro: Capital.

Ms. Crow: Yeah. I wanted to make you aware of that just in the context of I know we're using a significant amount of reserve for capital. This would help to kind of build that reserve for capital back up. Even though we still have a healthy reserve for capital after we use the \$4.3 million this year but just something to consider. We're prepared to bring a resolution forward on that if that is something you would like to consider.

Legislator Nazzaro: When I look back at the 2018 budget, that CS line, \$904,000? Because I don't remember really talking about this.

Ms. Crow: I haven't brought it up before but when I was looking through and Todd and I have talked and Todd has brought it to my attention before this money is just sitting here and we should probably see where we could transfer it. It's not really doing anything sitting in the reserve.

Legislator Nazzaro: So when I look at the 2018 budget, last year's.

Ms. Crow: I don't have that with me.

Legislator Nazzaro: I see all of the funds, CS Liability Insurance, appropriation \$948,000, so what was the balance in that last year?

Ms. Crow: If you look under the fiscal status tab in there it should show the fund balances for the same funds.

Legislator Nazzaro: So before we did not break it out that way?

Ms. Crow: No.

Legislator Nazzaro: Because I've never heard (*inaudible*)...

Ms. Crow: It's always reported this way on the financial statement. That hasn't –

Legislator Nazzaro: Financial (*cross talk*) disclosure in how are reporting (*inaudible*)...

Ms. Crow: We're not craving it out on here either. It's just that I'm bringing this up as I'm aware now that there is something that we can do with this reserve other than just have it sit there until –

Legislator Nazzaro: (*Inaudible*).. but when we do our calculations of undesignated fund balance to our revenues (*inaudible*) should be 5% minimum (*inaudible*) cap or whatever we're going to be, how does this affect that?

Ms. Crow: Well, maybe we could just move on the projections and I can show you.

Legislator Nazzaro: I just want to make sure because I know we're not depleting the fund balance.

Ms. Crow: No, it won't. It will just move it from one category to another within the fund balance schedule. But it would move it to a category that we regularly use for capital projects. I didn't know if there were going to be concerns bringing it up because I know and maybe there isn't concern but there may be concern that \$4.3 million dollars seems to be a lot of money though I think it's well worth investing and what we're investing in, but if there is concern that we're now using a big chunk of capital reserve, we do have another component of fund balance that we could –

Legislator Nazzaro: Technically we moved that last year to this year.

Ms. Crow: At the close of 2017.

Legislator Nazzaro: From the general reclassification to capital. So we did reduce our and the County Executive pointed out in his presentation on one of his slides, we did move in 2017, a \$4 million dollar chunk which then reduced our undesignated reserves significantly.

Ms. Crow: Yes. This won't change that because within the restricted reserves, you'd be moving it from insurance reserve to capital reserve.

Legislator Chagnon: That is what I was going to point out. You are just moving it between two restricted reserves. So it would not affect the undesignated fund balance. Now, unlike the deep question that my esteemed colleague likes to ask. I have to ask for trivial ones which is, on Schedule 1, you show the current ending or projected for this year and next year at 15,889,213 and in your projection you show it as 15,732,691. Slightly different.

Mrs. Dennison: Schedule 1 was as of 9/10 and the projections are more recent than that.

Legislator Chagnon: As of 9/25. So in those two weeks you really learned a lot.

Ms. Crow: I went through and updated this whole model based on the actual tentative budget numbers.

Legislator Chagnon: I just wanted to point out that there is a slight difference.

Legislator Nazzaro: I just want to make sure I understand.

Ms. Crow: I think when we move to the projections, it will be more clear.

Legislator Nazzaro: O.k., I'll let you move into the projections but let me say one thing. When you look at last year's budget, you were estimating the general fund including the CS Liability Insurance to be \$22 million at the end of 18'.

Ms. Crow: Correct. But remember all of the things that happened at end of 17' so that now impacts – that's what gets us to the -

Legislator Nazzaro: So I guess I'm just going to ask one more time. On the new Schedule 1, we're showing \$15,889,000, that includes the CS fund so the question is, when you calculate the amount, the 5% of (*cross talk*), does it include the sales tax?

Ms. Crow: Yes. It's right here on the projections, you'll see it.

Chairman Scudder: Let's jump right into them.

Ms. Crow: I'm not going to go through, unless you would like me to, I'd be happy to, but there is all the narrative of all of the projects.

Legislator Nazzaro: Nay, we don't need to.

Ms. Crow: O.k., so the model takes the 2019 tentative budget, projects out all of the appropriations and revenues based on the narrative of assumptions and then moving along you have the page that shows the use of fund balance and ultimately the projected full value rate – the tax rate. So, as you may recall we updated the projection model earlier this year to base it on keeping the tax rate flat. So on this page which starts out by saying operating surplus or deficit up here on the top line, o.k., so now in your out year's 2020 through 2023, you'll show – based on keeping the tax rate flat, what our net surplus or deficit would be based on our projections so right now, I mean, this is the first time in a long time we're seeing a really positive projection in terms of trend. We have one more year, 2020, where we're showing – assuming all the assumptions are realistic and come to fruition that we still would have about \$426,000 to over (*inaudible*) either reducing expense or increasing revenues. But beyond that, assuming a steady 2% growth in our valuations, by 2021, we're going to be operating at potentially a \$400,000 surplus which potentially mean a tax rate decrease or again, if there is an investment in capital that you wanted to do, that sort of thing, then we have a couple of more years running at a slight surplus so I'd really call that more of almost a breakeven but, a breakeven on the positive side. The next page after that is the Schedule of fund balance. So based on those projections, how is that going to impact our fund balance? So the top row there is our total general fund balance and you can see in 2017 this should say audited now because we do have our final audited numbers in here so this is based on the schedules from the financial statements. We've got our subtotal of

non-spendable, so our prepaid expenses, inventory, long term receivable, then the middle section there is our self-insurance reserve so these are the restricted reserves. The first one there for 2017, we have \$3.2 million dollars in the self-insurance reserve. The next row down is our capital reserve so ending 2017, we have \$7.2 million. Then our projection for 2018 and then based on the use of reserve for capital in the 2019 budget, our reserve would be reduced to \$2.4 million for capital projects. That row above there is the insurance reserve so what I was talking about was taking some of the \$3.2 million and moving it down into the capital projects reserve. That won't change the total restricted and then as you move down you get two year total unassigned general fund balance total. So in 2016, we had \$26 million, 2017 based on the change from unassigned fund balance being now reserved as reserve for capital, the unassigned was reduced to \$15.4 million. We have our projection for 18' and then for 19', our unassigned fund balance would be \$15.7 million. Using no additional reserves beyond 2020 which is the assumption in the projections of the tax levy and rate, that would result in 6.8% of unobligated fund balance as a percentage of revenues in 2019. Then it tapers down a basis point or two over the next few years.

Legislator Nazzaro: Explain to me again Kitty, the (*inaudible*).

Ms. Crow: At a very high level there were some capital projects that should have and other – there were items that were not properly recorded in terms of the budgets being adopted in various capital projects that should have used reserve for capital but they used fund balance and therefore we're just moving it back under to the reserve for capital. That's at real high level.

Legislator Nazzaro: So high level, if we pass capital projects again, we're taking it out of the capital account?

Ms. Crow: They were taken out of the -

Legislator Nazzaro: It sounds like they are taken out of the capital reserve and shouldn't of because you are replenishing the capital reserve.

Ms. Crow: Yes. We never moved the money from the fund balance to the reserve for capital those years that we should have been and now we're catching that up.

Legislator Nazzaro: So going to the Executive's budget, we are using a significant amount of fund balance regardless of what he says, we are using a significant amount of fund balance. So, the alternative is, all these projects weren't using the fund balance –

Legislator Chagnon: Capital reserve.

Legislator Nazzaro: The capital reserve which flows into all of this. If we weren't using that and these projects were all deemed necessary, we'd have to borrow for them?

Ms. Crow: Or not do them, borrow for them, delay them.

Legislator Chagnon: But because in 2019 we're projecting to use \$3 million of capital reserve, our net debt is actually going down (*inaudible*) because we're not borrowing for those \$3 million dollars in projects.

Ms. Crow: I think more than likely – like one is there is a significant investment in roads and bridges. In the past we just haven't funded that. We haven't funded heavy equipment. I think more than likely if it had been presented that we didn't have this much reserve for capital to use, those projects probably just wouldn't be undertaken.

Legislator Chagnon: But our net debt is projected to go down next year.

Ms. Crow: Correct, but it doesn't change our unobligated fund balance by using those reserve for capital. That is what is used to determine the percentage – whether we're staying in the 5 or 15% of revenues. It's based on the undesignated part.

Legislator Nazzaro: It just seems like, again, talk about detail, we move this money over (*inaudible*).... I mean, I understand. I've been here through a lot of budgets and every year we talk about when George was here how many trucks he has to buy and how many roads he has to repair. My concern is, what if there are other projects down the road. It's like we're all spending it in one year.

Chairman Scudder: You don't want to do more because you have more.

Legislator Nazzaro: I'm just cautious going out. What if some big project, emergency project hits us that we're not expecting.

Legislator Chagnon: We could borrow for it.

Legislator Nazzaro: Which the price of money is going up.

Ms. Crow: I think the rationale for include the significant investment in capital project is because they have been under funded specifically in roads and bridges and heavy equipment in the past which has been costing us more money for repairs on equipment and on roads and bridges. This gives us an opportunity to get caught up. We don't anticipate that we're going to need to spend \$4 million dollars each year going forward. We did have that conversation that this is kind of a one-time catch up and then we don't need to reinvest \$4 million every year to keep our heavy equipment current but it gets us to where we can now have a regular amount we're budgeting and not feel like we're always behind.

Legislator Nazzaro: I'm just pointing out the other side that the pendulum all of a sudden – if I understand it, we did not have this County adjustment (*inaudible*).., which was discovered by Todd but if we did not have that accounting adjustment, we would not be seeing this kind of expenditure for capital. It's more of a question for the County Executive not for you. He (*inaudible*) it's his budget. We're just spending a lot of money in one year.

Ms. Crow: If it had been there in the reserve all along, my guess is that we would be spending it all along and we wouldn't have gotten behind on our investment and the thing that we're investing in now. We would have had funds to fund those things that we didn't have money for.

Legislator Nazzaro: The County Executive is here and I'd like to ask him. I was just saying, we're going through fund balances and projections and all of that. Of course, we have Todd Button discovering (*inaudible*)... Then we are going over where we're going to hand out (*inaudible*), my only concern, we've always not been able to fund capital projects. George Spanos would come here so and so forth so now we're spending over \$4 million. It just seems a little aggressive in my opinion that why wouldn't it be prudent to set aside some of that money, maybe a million of it or something just in case we have an emergency coming up next year. You don't know. (*Inaudible*) breaks down or some bridge collapse or something like that. It just seems like we're spending it all in one year. I'm just a little concerned about that.

County Executive Borrello: Well, my rationale was, (*inaudible*) found money and we have been behind on projects, on capital improvements particularly for the last several years. We've always cut it back and cut it back. This gave us an opportunity to catch up. But on top of that, it's also going to save us money when it comes to repairs. There is a lot of down time right now with equipment that is old. So there are going to be savings and those savings are going to come to the operating budget which is where we really need it. The capital budget is very restrictive as to where we can use it. So here is an opportunity for us to catch up on a lot of the equipment and road repairs and bridge repairs that we haven't really done in the several years because we have been tight on that money without really having an impact on what we expected our capital budget to be because that money wasn't over there until this year. So we can catch up with this quote unquote found money and also ultimately provide savings in the operating budget with less maintenance, less down time and better road conditions as well. I think this is a good way to do it. I moved the whole thing over there because I looked at this as a great opportunity, one shot, let's do it, now we're good for a few years.

Legislator Nazzaro: Technically it's not – it's not found money. The money was moved – found money is if we got like what we got when we received IGT or got a big settlement. We just now moved it from the general fund to the capital. But it is reducing your fund balance. (*cross talk*). I'm just saying, I think we're being a little aggressive.

Mrs. Dennison: Just the reserve, not the fund balance.

Legislator Chagnon: I would like to put this in perspective Chuck that if you compare what we spent in the capital budget last year and what we're spending this year, is an increase of \$1.1 million dollars. It's where the funds are coming from, it's the \$4.3 million dollars coming out of the capital reserve. Last year it came out of other funds, so the increase, capital project (*cross talk*), year to year \$1.1 million dollars.

Legislator Nazzaro: Of that, \$850,000 of the \$1.1 million is (*inaudible*)..

Chairman Scudder: I want my streets complete.

Ms. Crow: I would point out that the balance of our reserve for capital assuming that we go forward with that is proposed in the budget would be \$2.4 million dollars which is about \$600,000 less than where we were at in 2016 in terms of the reserve. So generally, I thought keep that reserve for capital over \$2 million dollars is a good reserve amount for emergency purposes and that's about what we have been kind of managing it to in the last many years. So I feel comfortable that we have a sufficient reserve still left over.

Chairman Scudder: And it's an opportunity to spend it, invest, and keep the budget steady.

Ms. Crow: Real quick on the last page of the projections, the tax cap calculation. This is just a template (*inaudible*) basically from the State, all the components that go into it so it's not always just a 2%. It's always a lesser of 2% or inflation but this just projects out what the tax levy increase could be year to year. For 2019, we are well under what our allowable levy increase could be, our allowable increase under the calculations because you can carry forward what was unused in the prior year in terms of your increase So we could be raising the levy as much as \$3.6 million dollars. So we are well under that, the levy limit and based on our projections, we'll be well under the limit through 2023. Though that goes down over time because of the various factors in the assumptions. So, I know sometimes it's a little confusing like when maybe the general public just thinks 2%. It's just not 2% there is a lot of things that go into that calculations but it is fair to say that we're well under our allowable increase, even though the tax levy is going up.

Chairman Scudder: Alright, very good. Are you ready to do health insurance?

Ms. Crow: The summary page for the "M" fund is actually under tab 43 and it's a couple of pages in. It's the last page for the summary but any of the detail is under tab 96. So the "M" fund as a reminder is where we have all the expenses associated with the health insurance plan for active employees and retirees. Then the revenues for the most part under the "M" fund are what is allocated back out to County departments for all their employees that elect health insurance. That comes back to the "M" fund as a revenue. Additionally for our retirees we have a cost share of their health insurance, that comes into the "M" fund as a revenue so that is kind of the big picture of the ins and outs of the "M" fund. So in that context, the "M" fund is generally budgeted at a breakeven because we're only going to receive – project to receive in revenue what we're incurring in costs for health insurance. I should start to – so Jessica and I kind of – I've still been working on the budget component and the cost of the health insurance so as you know, I mentioned, in other components of my budget, the administration of health insurance is now under HR and so that administrative piece is under Jessica so we spent a lot of time together.

Overall as far as contractual costs in the "M" fund, in the big picture, year to year, the budget for premiums is decreasing and that's mainly because in the 2018 budget, we didn't know how many – we budgeted for most people electing the PPO plan then we settled the CSEA contract for the one year and we had a significant number of employees convert to the high deductible plan so budget to budget, we now see that decrease in the 2019 budget. Our assumption for health insurance elections are whatever the employee is elected at the time we initiate the budget. We don't try and project changes in terms of level of coverage or plan.

Legislator Niebel: That was actually going to be my question. All our new hires are under the high deductible plan?

Ms. Crow: Correct.

Legislator Niebel: So wouldn't our enrollment be increasing in the high deductible plan or do we have people that are switching from the high deductible back to the PPO?

Ms. Crow: We don't know until open enrollment so like I said, we take a point and time, what does everyone have elected as of the day we turn on the budget module and that is the assumptions that we – you know, (*inaudible*) for vacant positions, we just make an assumption of a family of 2 level coverage to make sure we don't fall short or over budget for that expense.

Legislator Niebel: Open enrollment is September/October?

Ms. Crow: It's more like November.

Chairman Scudder: So people can go in and out of the high deductible.

Legislator Niebel: They can.

Chairman Scudder: Every year?

Ms. Crow: Well, two of our bargaining units, plus managers now, only have the option for the high deductible plan so that is actually – for managers that is a change and represents a savings in the 2019 budget. But for our Corrections unit we're currently out of contract but all of their new hires only have the high deductible plan option so their other members, unless something changes in the new settled contract them, as well as the CSEA, they still have the option for the PPO or the high deductible.

Chairman Scudder: So you can do that every year if they wanted to.

Ms. Wisniewski: We're currently in open negotiations for 6300.

Chairman Scudder: So if we went back 2 years ago, I can work one year at the high deductible and switch back?

Ms. Crow: Correct. There is no contract language that says once you go to one plan that you have to stick with it forever. We do plenty of education to the benefit for the high deductible plan to encourage that selection. So that's the majority of the swing there. In terms of our premiums, our medical plan renewal right now is at 1.86% so that was a very good renewal that we got from Univera. The pharmacy is running higher than that, what is included in the budget for pharmacy. It's actually about a 20% increase which is conservative to what our actual trend is right now. I kind of did everything that I could reasonable to feel comfortable with the number I put in for pharmacy. Dental/vision expenses, some of those - vision is going up a little bit because I projected – our vision plan is on a 24 month cycle so in the beginning of that cycle

we transitioned everyone to be on the same 24 month cycle starting 2017 so in 2017 we had a higher expense. We're trending down a little bit lower in 18' so I'm expected to go back up in 19' for the vision just because at the start of the new cycle, people are going to probably start getting glasses again and going back to the eye doctor. So overall the blended percent increase for the PPO plan was 4. – well between the two plans its under 4 ½% in total. Originally in our five year projections, we were including a 6% increase in total health insurance costs so that's better than what we had been expecting.

Another change that we did this year was, on our pharmacy plan (*inaudible*) rebates. Generally we have used the revenue from the rebates to help replenish the "M" fund balance because right now we're about at a breakeven there in our "M" fund. However, to keep costs down overall we did apply the rebates against the total premium to keep the premiums lower overall so that did help us out by about \$400,000 in terms of keeping the total cost, across County departments, down.

Legislator Chagnon: So in doing that you held it down to 20%?

Ms. Crow: No, the pharmacy itself, the rebates are in a separate category.

Legislator Chagnon: That was after the 20% you are –

Ms. Crow: Correct. Those were some of the more significant items.

Legislator Gould: What about the surcharge? What is it and (*cross talk*) for nothing and now we're putting it back in, 5,002%.

Ms. Crow: The health insurance surcharge is what we charge out to all departments for the cost of retiree health insurance plan. So, the way I changed the accounting, the tracking of expenses in the "M" fund is so that we can better track all retiree costs in their own accounts. So then that becomes the amount that we need to bill out across all County departments. We don't say, well, Finance had two retirees and HR had two retirees and bill the actual costs to each department. We take a blended rate and bill it out to all County departments, the shared cost of covering the retiree health insurance benefit. That is what the surcharge is. We did have other surcharges many years ago. When I first started, we had about a \$3 million dollar deficit in the "M" fund and we were charging a surcharge back to departments each year to replenish that fund balance. We don't have that surcharge anymore.

Legislator Gould: The surcharge is two different numbers. One of them is ninety six and then you go down to the bottom of the page and it's eighteen hundred.

Ms. Crow: What page are you on?

Legislator Gould: Page one of four.

Ms. Crow: O.k.

Mrs. Dennison: You have the "M" fund (*inaudible*) surcharge revenue, the first line.

Ms. Crow: What one are you looking at Jay?

Legislator Gould: I was curious what both of them were, I guess. I know what the top one is now, I think.

Ms. Crow: Could you tell me the account number you are looking at?

Legislator Gould: Ninety, ninety six. I think you just explained that to me and down at the bottom of the page it's (*cross talk*).

Ms. Crow: Yeah, because we moved it into a different account because we wanted to track retiree expenses in a separate department so the 9089.8000 is where we keep all the items that are part of the surcharge now. They used to be kind of all over the place in different sections so I've grouped them all together. I did start that in 2017 so that five hundred and eleven in 2016 is what we received for retiree contributions then and up there – but now we've moved that down below under 9089 retiree contributions.

Mrs. Dennison: You mean five seventy seven?

Ms. Crow: I don't know where you are looking at.

Mrs. Dennison: 2016 actuals, first line, for (*inaudible*) surcharge (*cross talk*).

Ms. Crow: I was talking about the retiree contributions. So back in 16' and 17' the "M" fund surcharge, that was the amount we were trying to recoup back from departments because we were still running at a deficit. We're not doing that anymore so that is why there is - let me go back to my surcharges. The other thing – I'm sorry, I just remember too – this budget is really complicated but in 2017 and 2018, we budgeted – we're including kind of a negative amount in there. At that time is when we were making an additional projection for people converting to the high deductible plan. There was no way for me to budget that in each individual departments so what I did was, created a credit in the surcharge. So I took the actual surcharge of costs and then I put in a credit for people converting that would reduce the overall budget that I'm going to charge to all departments for the surcharge. So that net number say in the 2018 adopted budget was \$4,600. But I'm not building that credit in there anymore because now we have a regular growth in the premiums for people on the high deductible plan so I don't need to do it that way anymore. So in 2019, that two thirty eight is just the actual costs of that part of the surcharge. I have a lot of detail.

Mrs. Dennison: So the \$238,000 is the total surcharge.

Ms. Crow: That is the surcharge for other items that are unrelated to retirees. So for example, our disability, the employer flex match, our EAP services, we still need a way to charge those out to departments so that surcharge up here is still under 1930. All the retiree surcharges come under the below category. Actually this page gives a good summary of the surcharge changes. For the most part the big picture and the major components that have - I'm happy to answer any other questions or share any backup spreadsheets.

Chairman Scudder: Any questions? Everybody is good?

Human Resources:

Ms. Wisniewski: I'm looking at the local share summary right now for the Human Resource Department, as you see, I want to point out the bad news first and hopefully get into the good news as why it's this. There is a local share increase of \$65,262 overall with the Human Resources budget.

Legislator Chagnon: Well, we'll take care of that.

Ms. Wisniewski: Let me explain why first before you go into your lunch and decide to take it away. So, as you see, if you've reviewed it, we have and as you know from previous years, we have the 1430, that is the HR Department's budget. It's always been. The 1430.BENE(?), is that new department, new line, that is only for the insurance department. We now have two employees that are in the BENE department that wasn't there before. We also have the COEM, Countywide Employee Expense fund, that's always been there and had just \$5,000 contractual budget amount for the license for CDL's, nurses that's in there. The changes for 2019 are again, the 1430 BENE and now there are two positions. Two full time positions in the BENE department. One was taken from 1430. That was already a vacant position that we moved to this BENE department for the benefits and also we took a position from Finance that used to be Brenda, for example, was in that role and it's now in the Human Resource Department, in that BENE. So you have two people, one from HR, the 1430 and one from Finance. There is also an addition to the COEM fund. This is the CSEA President. I was asked to transfer the CSEA President's salary that's contractual through the 6300 bargaining agreement. It used to come out of DPF, now it's been transferred over. So if you think about, you know, we took on an extra position for Finance, an extra position from CSEA President from DPF, and we only have the increase of \$65,000 but we can get into that to. So there is some moving parts here of revenue that was coming in from the (*inaudible*) to the 1430 that now is not. It went straight into the BENE department and I can go through each of those costs if you want me to.

Legislator Gould: Where does he go to work during the day? Human Resources or DPF?

Ms. Wisniewski: The CSEA President?

Legislator Gould: Yes. Where does he work out of? Where does he go in the mornings?

Ms. Wisniewski: Well, basically he goes to the Emergency Services building is what I was told. (*cross talk*).....

Legislator Gould: O.k., you've never seen him but you are paying him.

Ms. Wisniewski: DPF has been paying him until now, yes. In 2019, it's going to come out of the HR budget. Any questions overall about the local share summary, the first page here?

The second page is the FTE's. I just kind of went over that because there is an increase of 1.96 basically two people. Finance and the CSEA President transferred from DPF, but other than

that, I have not added any employees. We still have the examine monitors that are in there and that is why you see these .24's and things like that because they are not full time employees. Overall, we haven't added anything in the Insurance Department besides those two positions I just told you about.

The next page here, 1430 budget Oh, I'm sorry, that's the overall for (*inaudible*) departments. I would like to skip over that for just a moment. The 1430 was the original HR department. As you can see, there was an increase of \$2.00. You have to remember, there was that – see the line, revenue, \$128,370 was taken away from this account so I was very conservative and I tried to reduce where I could but I do have an \$2.00 increase in my budget.

Chairman Scudder: Now that we can definitely take care of.

Ms. Wisniewski: O.k., were they any questions on this one, the 1430?

Legislator Gould: Yes, the other? Other contractors?

Ms. Wisniewski: Yes, on the detail, there was an increase of \$3,000 – the other contractors. It went from \$300 to, tentative budget, \$3,500. The reason for that is, we have our contracting through the Sheriff's Department right now for security. On Saturday exams, in the past many, many years, two or three of HR employees are here on Saturday afternoons with anywhere from 2 people to 100 people. They don't have any security basically. There is no security guard and we open the employee entrance for them to walk in and out of throughout the day and I spoke with - something came up in a staff meeting that they felt like they weren't secure, the building is not secure, there is not security officers going in and out of the front door. I talked with the Undersheriff about it and he said that for a certain fee, we looked at \$3,000 being the annual amount that I would have to pay him for security. So what we do is, we have one security person for 50 people or less and they have a wand, because it's a lot to go through the main entrance so you still go through the (*inaudible*), and we pay them for either one and have a wand or if it's over 50 people who are going to be tested on a Saturday there is two security guards. So far, we did already start it because we found some money in the budget to start this year. We had one incident where an off duty police officer had brought a gun to the exam and because he was about to be wanded, he said, oh, I guess I need to put my gun, and he walked back and put the gun in this car. But even if we trust him, it doesn't mean that somebody couldn't have seen in and you know with things going on in the community unfortunately, I just want to make it safe for the workers as well as the people who are testing. That's the \$3,000.

Legislator Gould: Is this a common practice for the Sheriff's Department?

Mrs. Dennison: Oh yeah, it is.

Legislator Gould: Make them pay for anything that happens in off hours?

Mrs. Dennison: Yes. He has other contracts for security at other offices. There is security in the South County Office Building and the North County Office Building.

Ms. Wisniewski: I did negotiate. It was a lot higher than that when I first talked to him.

Legislator Gould: Well, I hope that you did.

Ms. Wisniewski: I did. I think we're getting a steal for \$3,000. I do think that it is very important that we do have this security.

Legislator Gould: I think that it is important that you are secure too. I'm just – he gets paid by the State to secure this building, now he can charge people to secure this building.

Legislator Chagnon: We'll get his budget next. I have another detailed question. On your revenue. You are decreasing your shared services Insurance Administration from Human Resource exams and increasing it in the BENE column. But the amount in BENE is 40% (?) higher than it was previously.

Ms. Wisniewski: You are talking about the \$128,370?

Legislator Chagnon: Yes.

Ms. Wisniewski: So that amount was always given - a 3% increase in that amount was given over many years. I can't answer the question as to where that money came from, how that was calculated but it was given to the 1430 for many, many years for administration of our part in the Health Insurance. Even though it was under Finance, it was given. When I was told that I was taken over and agreed – when I agreed to take over the Health Insurance department, I was told that that would be taken away. So, that piece of it will now only have funds going into the BENE department for Health Insurance. So it was almost like a swap out but to answer your question about the insurance, I don't know how it's calculated initially, but the \$180,000 is because going through 2 people's salary and benefits and then the detailed portion here of expenses that the Health Insurance department will need and (*inaudible*) came up with a figure of \$180,000. Now, I say 2 people are in that department but there is a percentage of my salary in the Health Insurance because I do have a lot to do with the Health Insurance piece even though Eric and Heather are the two people that kind of run the office. They come to me so a percentage of my salary is in there as well as a small percentage of Ken Westphal and Sharon Ardillo as they handle the new hire orientation piece of it and are putting in deductions. So that \$180,000 was, before this, \$128,000, to HR, was Brenda's position, was a part of I believe and they can attest this in Finance, but Shannon's position, of Kitty's position, and all of that has been taken and is now under the HR heading.

Legislator Chagnon: Plus the portion from HR that was in HR before (*inaudible*)... that is the increase, the portion that came out of HR (*inaudible*) BENE (*inaudible*)....

Ms. Wisniewski: So like last year, I can't answer this question and maybe just a question to think about is, overall, how much did insurance costs? From the Finance and HR standpoint and I would think that you are getting a deal with the \$180,000 into HR. I don't know that number before but –

Mrs. Dennison: The other thing to keep in mind is that prior to this year, the Insurance Administration part of it was paid to HR, part of it was paid to the Insurance Administration

department, A1710, so there is \$83,000 of revenue in Insurance Administration and \$128,000 in HR, those two components. Now there is only one in Insurance Administration.

Legislator Chagnon: So what you are saying then is last year it would cost us \$200,000, now it's costing us \$180,000?

Mrs. Dennison: Yes.

Legislator Chagnon: I guess we can't fix that.

Mrs. Dennison: If you look at Insurance Administration, department 1710, the 18' budget is \$83,000 and the 19' budget is zero. What Jessica was mentioning the \$128,000 allocated to HR, was kind of an artificial number and Kitty referred to this too. That we took a new look at when we billed the BENE department, we looked at exactly how much it cost to do those services, updated the costs and that's where the \$180,000 comes from.

Legislator Chagnon: That is why it came down to \$180,000.

Mrs. Dennison: Yes, because the amount allocated to HR went up an arbitrary amount every year and now we have an accurate accounting of the cost of those services.

Ms. Wisniewski: Finally is the COEM. Again, there was no change on the HR side of things, contractual \$5,000. The addition that you see there, the \$65,260, is the CSEA President. It's his .1, his base salary, his employee benefits. We do have a revenue coming from enterprise fund payments for \$4,879. That used to go into DPF because the sewer district had to pay for part of the CSEA President and it's now coming into HR, so kind of offsets some of the CSEA President but \$65,260 is the increase that you are seeing.

Legislator Chagnon: So the enterprise fund payment comes from –

Ms. Wisniewski: The sewer district.

Legislator Chagnon: Any come from the landfill?

Mrs. Dennison: Yes.

Legislator Chagnon: O.k., so it's both of those.

Mrs. Dennison: Yes. Any CSEA 6300 employees that work in enterprise funds pay.

Legislator Chagnon: Whether it's the landfill or sewer district.

Mrs. Dennison: Yes.

Ms. Wisniewski: O.k., that's all I have unless you have any questions?

Chairman Scudder: Any questions?

Legislator Chagnon: I would like to know what you are going to take over next year. You seem to be taking on all of these problem areas in the County.

Ms. Wisniewski: I hope that I can be constant, consistent. I hope to perfect what I have now and keep it consistent unless it needs to be taken on by HR but we made some good changes and hopefully we can just make everything better now in HR.

Legislator Gould: I think the Coroners would work fine under HR.

Chairman Scudder: And the Fly Car. Thank you Jessica. O.k., we'll break for lunch.
(12:10 p.m. – 1:05 p.m.)

Information Technology:

Chairman Scudder: Let's get started. We are now onto Informational Technology. Mr. Jon DeAngelo, welcome.

Mr. DeAngelo: Thank you. So, our department is made of five sub-departments. We have Office Services, Communications, Print Shop, IT, and our GIS Departments. I thought we would just walk through each one of those and then I'm happy to answer any questions. We can start with Office Services. This includes our Courier Service and our Postal Service processing. The only significant change we are seeing, and this is trend we have seen in the last few years, is a lowering of our postage use by the departments, which is a good thing. Overall, that lowers the expenses to the County. We see a drop in expenses but because of that we also see a drop in revenue because we charge back for the postage that we provide to the departments. We buy like \$75,000-\$100,000 in postage at once and then as we use it we charge it back to the departments.

Legislator Gould: Do you break even?

Mr. DeAngelo: We do upcharge about 19% on the postage just to cover the overhead of the mail room and the attendant but yeah, this department- we are not in it to make money, so it's a break even. That's why we see a drop in revenue and a similar drop in expense. Outside of that, no changes in services and we don't anticipate any change in the postage rate next year. We did call the Post Office and they don't know about any postage rate change coming up, so we didn't budget for any.

Next is our Communications Department. That is all your telephones- your desktop phones. It does not include cellular phones; this is all desktop phones. We are in the middle of an upgrade project. We have two buildings left- three buildings; the jail, this building and HRC. That project is due to wrap up in December and that was funded by some capital funding that was put in place last year and it is a project that has been going on for about ten years. So, what we do anticipate when the project is finished is a drop in expenses because we feel we will be able to maintain this phone system in-house more effectively than we had in the past. We will see a lower reliance on our vendor, so we are dropping our expected cost and that is why we see

a drop in revenue. Basically how this works is I tell the departments what they should budget for their desk phones and what we did this year for next year is a 5% across the board cut. Every department, we told them to budget 5% less for their desk phones and therefore we are going to see 5% less in revenue. This again is a break even department, so we cut our expected expenses by 5% as well. It could come in at a bigger savings, but I think 5% pretty safe.

Legislator Chagnon: Jon, why is your computer software supply going up? (*Inaudible*) \$7,000 charge and other supplies \$7,000 charge?

Mr. DeAngelo: Historically, we have contracted with Ronco and we pay a per phone charge to them. If a phone breaks they come in and replace it. Over the next year we are going to get rid of that and we will be maintaining it in in-house. So, what I would like to do is have 10 phones on the shelf so that when one breaks one of my staff members can just run out and replace it without having to order it. So, that's an increase in some costs there and there is licensing that goes along with every phone now because they are basically a- they are on our network- they are basically a computer device in a way, so there is sysco licensing that goes along with that. Did that answer the question?

Legislator Chagnon: So this is going to be a reoccurring cost?

Mr. DeAngelo: Yes, we expect to keep a number of phones on the shelf so that we have replacements. We expect a larger reduction in the use of the vendor though.

Legislator Nazzaro: Overall it should-

Mr. DeAngelo: Overall, it should be a savings.

Legislator Chagnon: OK.

Mr. DeAngelo: Our next Department is the Print Shop. The Print Shop right now is in a state of flux. We have it staffed part time with one individual who is already semi-retired and is retiring in a few weeks. We are trying to hire a part time person to fill that spot and we anticipate that part time person will be hired at a lower grade so we will see a savings in our personal services. However, we did have to- our high volume color copier died last year so we are leasing a high volume color copier down in the print shop and there is a bit of an increase in some of the line items that are contractual to cover that lease. Overall, we see a drop because we will be hiring at a lower grade for that.

Legislator Chagnon: Is the lease of the unit based on usage or a flat charge?

Mr. DeAngelo: It's a flat charge every month plus usage and it's part of our lease that we- we have a large lease with Eagle Systems with probably about 50-60 units across all departments and it's just one of those units.

Legislator Chagnon: (*Inaudible*) that machine much?

Mr. DeAngelo: I don't know the copy count but I do know that David does use it quite a bit. Anything that is 1,000 or more copies- even a few hundred copies, we encourage the departments to send to the print shop and print them on that unit. We have a separate unit for our high volume black and white prints.

Legislator Chagnon: Right, I knew that. It's just surprising that we have that much color copying.

Mr. DeAngelo: Well, we do some pamphlets, brochures- I know the District Attorney and the Public Defender get color photos and we do some work for them as well. It is mostly brochures for some of the departments- Health Department is a big customer for that machine. Whenever they put out a brochure, they like it in color. All the work is for the departments. Are there any other questions on the print shop?

The next department is IT and that is our largest department. Again, we see a drop and that is primarily from taking out the Occupancy charges, which I'm sure you guys are all aware of. Outside of that, we are fairly flat. We did hire somebody- somebody that retired, we did hire at a lower grade, so we do anticipate a drop in our point one expenses next year from what was budgeted this year. We do have some major hardware and software items that are enterprise wide items. I try to stagger these every few years because usually we get into three year contracts with them. For example, our backup system is one of those, our spam filtering, our web filtering and all of those are pretty expensive when they come up every three years so I try to stagger those. Next year our spam filter is up for renewal and that is pretty large number that we will be spending next year. In our department we cover software maintenance enterprise-wide solutions such as our finance system. So, that right there is \$100,000 a year coming out of this number and that has been going up between 3-5% annually. That gets taken out of our department but it actually supports the entire County. Anything that is enterprise-wide, we take care of. If a department has specific software for them, they take care of that themselves. So, that is what this covers. Outside of that, we don't see any major changes in service at all. I think we are doing a pretty good job where we are at from a staffing level, as well. So, nothing crazy or new.

Legislator Gould: More training? Training has gone up?

Mr. DeAngelo: Training has gone up- supporting our new phone system. We are going to get some additional training on that. I have some newer, younger staff that I would like to get trained up on some of the new technologies. Also, some of our servers are starting to age out. So, Microsoft has new server software that I need to get staff trained on as well-

Legislator Gould: Do you train here or do you go away?

Mr. DeAngelo: When I do a whole staff training, we train here. Most of my staff doesn't like to travel anyways, so we do a lot of online training right here. I do take them out of their office and put them in a room so they can focus and not be interrupted. Yeah, we don't go offsite unless we absolutely have to. Almost all training we get done online.

Chairman Scudder: Alright. Any questions? Anybody?

Legislator Chagnon: Jon, for the GIS system, you had some salary allocated for that-

Mr. DeAngelo: Correct.

Legislator Chagnon: Why?

Mr. DeAngelo: Here is what happened with our GIS Analyst. He was actually hired fulltime by the Tax Department. He is still with the County, he- Mike Ruffino is his name and he is full time with the Tax Department. He was 90% funded by tax and 10% by GIS, but now he has fulfilled a spot that is fulltime over there, so there is no need for us to fund him. The good news is that he is still supporting us and still using his skill set to help us with GIS. Jim Caflisch and I have worked this out pretty well and he still has some time to help us with the GIS effort that we are trying to do.

Speaking of GIS, that is actually our last sub-department. As Mr. Chagnon mentioned, the reduction in personal services is just what I spoke of. I did put in for an increase in hardware maintenance of \$12,000. Our servers are getting old and we either need to upgrade some of the hardware in them or purchase a new server. That is what those dollars will be used for next year.

Legislator Chagnon: That system gets a lot of usage.

Mr. DeAngelo: That system gets a lot of usage and we are seeing more and more dependence on it, especially from the public. When it is down or its not fully functional, I'm getting a lot of phone calls. It's more complicated than people understand. It has to do with a lot of processes. They get updated every night and we are constantly receiving updated data from the Clerk's Office and from some of the Towns and Villages. So, that gets incorporated nightly and also updates some of our public safety systems. Our AVL, our automatic vehicle location system, in the Sheriff's Department now uses our GIS data. So when they are tracking their cars behind the scenes when they are looking at their maps, that is our GIS map. That system is getting more and more important to County operations.

Legislator Chagnon: I wasn't aware of that and that's why I wanted you to explain that. A lot of people don't understand the implications of the GIS system and why we are spending so much a year on it. It's a lot more important than (*inaudible.*)

Mr. DeAngelo: It is. Any other questions? Overall, I believe we are down about 6% and that's a good thing. It's a hard thing though. I think that we are pretty thin in our numbers. I don't think there is a lot of wiggle room in the numbers before you. I can be honest about that. I don't anticipate any major staffing changes over the next year. I will probably have another retirement in 2020, but nothing major until now and then.

Chairman Scudder: Alright, thank you Jon.

Board of Elections:

Ms. Sanderson: As you can see, our appropriations are down about 4.5% and our revenues are going up 4.4% and that would be because we have additional school elections other

than the normal budget vote, so that has increased our share revenue. Our expenditures have gone down. Going from four County-wide elections this year and going down to two County-wide- or foreseen two County-wide elections next year. That will bring our inspector pay down and the cost of equipment to transport for those elections.

Mrs. Dennison: Donna, if you could just walk through the commentary line by line on the summary sheet-

Ms. Sanderson: Sure.

Mrs. Dennison: That would be helpful.

Ms. Sanderson: (*Inaudible*) notify us that we were going to be having an upgrade in our (*inaudible*) software. We would like to purchase ten voting machines to start replacing some of our voting machines that we currently have in stock. Those voting machines were originally purchased in 2007. They are about eleven years old and we need to start replacing those. As other departments, the occupancy- the fees are all coming down. We took into consideration that we will also have fewer elections- that's showing that decrease of that \$130,000. Then we get down to the revenue, and again, as we were anticipating- we had eight additional special elections in 2017 versus this year, so far. Meaning by that, we had a lot of school capital votes and such. Next, revenue increase, you will see it was because we started replacing all our voting machine batteries. We replaced 99 machines. All the batteries needed to be replaced and we recycled those. We do anticipate the continuation of our HAVA grants and the shoebox and the Poll Site Accessibility grants. You can see that we still have a remaining balance for the HAVA grant of \$44,460 and the Poll Site Access Grant being \$10,057. Do you have any questions regarding any of those things?

Legislator Niebel: Donna, you mentioned four County-wide elections this year. We had one in June and one in September and of course the General Election. Am I missing one?

Mr. Abram: You must have added an extra one in-

Ms. Sanderson: The Federal-

Mr. Abram: The Federal in June, September, November-

Ms. Sanderson: Then the Federal Primary?

Mr. Abram: The Federal Primary is June.

Legislator Niebel: Did we have one in March?

Ms. Sanderson: OK, I apologize.

Legislator Niebel: That's OK. So, three County-wide elections this year? Actually, that's quite a lot. As far as the School Boards, you guys are doing more and more School Board elections?

Ms. Sanderson: We do all the schools now. That was mandated by the State that we-

Legislator Niebel: All the school boards?

Ms. Sanderson: All County- all Chautauqua County School Boards. We also handle any of their special capital votes if they have those.

Mr. Abram: That's gotten to be a big second vote within school districts. All 18 are covered by us, but it seems like a certain percentage every year has a special election, usually in October, November, December to have for a capital project and on the average-

Ms. Sanderson: Last year-

Mr. Abram: We are doing six or eight of those a year.

Legislator Niebel: Brian, you projected eight for next year? As far as eight additional elections?

Mr. Abram: Yes. I think if you go back this year, we have Brocton coming up in October, we had Silver Creek earlier in the year, and we've also entertained Jamestown. Whenever they sell a product like in Jamestown. We also have- it's not listed there, but library elections that are included. The City of Dunkirk- (*cross-talk*) Sherman on occasion, but they combine it with their school. Ripley has also had an election. Then, Terry, on top of that we have also had two extra this year based on the voting goes down and the school then calls us back again for a second budget vote and that happened in, I believe, three locations this year which were Westfield, Clymer and Ripley.

Legislator Niebel: And then as far as the Village elections, you guys are doing all the Village elections except like one or two?

Mr. Abram: We do them all and they've all migrated to November except for Sinclairville and Westfield. So, they started on their own by having us run them in March, but now they've had a resolution to move them to November and the only two that are still standing out there alone in the March election, at least for 2019 at this point, is Westfield and Sinclairville.

Legislator Niebel: Local share down 5%? I don't have anymore questions. I'm fine.

Legislator Chagnon: Mr. Chairman, if I may?

Chairman Scudder: Yes.

Legislator Chagnon: It looks like your New York State Aid, you're projecting none for this year?

Ms. Sanderson: That would be correct. We're not expecting any expenditures to actually reimburse for payment.

Legislator Chagnon: OK, but then next year the expenditures that you will be submitting for repayment are-

Ms. Sanderson: Are we anticipating on using some of those funds for the machines?

Mr. Abram: We aren't budgeting for that.

Ms. Sanderson: Right, we aren't budgeting for that.

Mr. Green: We've been holding the HAVA money for the purpose of electronic books, which are coming at some point in time. When they come, then we have the money ready. We aren't going to have to ask for any County taxpayer help.

Legislator Niebel: That's in the Capital account?

(Cross-talk)

Mr. Green: It's in the HAVA account.

Legislator Gould: I ask about that every year. How much is that?

Mr. Abram: 44.

Legislator Gould: 44?

Mr. Abram: 44 thousand.

Ms. Sanderson: Yes.

(Cross-talk)

Mr. Abram: Well, yeah. A lot of other counties have taken all their HAVA money and have used it. We have decided to try to hold tight because if the opportunity and the law changes and it's electronic poll books, the \$44,000 will go towards an additional expense which will believe will be more than \$44,000. That would be a nice buffer between that and what *(inaudible)* a conversion from the paper poll books to the electronic poll books.

Legislator Niebel: That's a down payment.

Legislator Chagnon: In this budget, the 2019 budget, you have that revenue in your revenue. Do you have the expense for the electronic poll book in there as well?

Mr. Green: No, because it hasn't been approved by the State yet.

Legislator Chagnon: OK, I saw one going up and the other going sideways.

Ms. Sanderson: I apologize. We have added the total amount of the 54- just about \$55,000 for both grants back into the expenditures, so it balances out.

Legislator Chagnon: So, it's in the expenditures in anticipation of State approval when it comes-

Ms. Sanderson: Right, and we did get preapproved for those-

Mr. Green: We haven't been approved yet because the State Legislature hasn't agreed to that yet.

Legislator Chagnon: Right. So that was in the 2018 budget that way, as well?

Ms. Sanderson: Correct.

Legislator Chagnon: You didn't have the expense that you-

(Cross-talk)

Ms. Sanderson: We're not using it-

Legislator Chagnon: So, now you've put it the same way in the 2019 budget.

Ms. Sanderson: Correct.

Mr. Green: And that was there in 2017 and it's been there for a little bit.

Legislator Chagnon: Right. The other question I had was you're replacing ten voting machines. That's ten of how many?

Ms. Sanderson: 99-

Mr. Abram: 100.

Ms. Sanderson: 100 machines. It's our hope to budget 10 machines every year-

(Cross-talk)

Mrs. Dennison: Mr. Chagnon, I should add that we plan to fund the 100 voting machines out of the- they are in the capital budget. That \$100,000 is not- it (*inaudible*) general fund, it's under the capital reserve and (*inaudible*.)

Legislator Chagnon: I didn't quite follow that, Kathleen.

Mrs. Dennison: The voting machines are in the Board of Elections budget, but there is funding for that item from the capital reserve included in the capital funding overall.

Legislator Chagnon: So why is it in their operating budget?

Mrs. Dennison: Its part of their budget, but the funding source is going to come from the capital-

Legislator Chagnon: Where does the funding show up in their tentative budget?

Mrs. Dennison: It shows up- it's in their local share. That local share is part of the local share for the operating budget, but there is funding coming from the reserve.

Legislator Nazzaro: So, when it rolls up- will it roll up properly?

Mrs. Dennison: If you look at total appropriations for the A fund, the voting machines are in there. Then, the funding sources from other funds- there is a portion in there that's from the capital.

Legislator Nazzaro: It doesn't make sense- Pierre, if you're confident that its properly done then- because you're funding it from a different source?

Mrs. Dennison: Correct.

Legislator Nazzaro: I just want to make sure it's rolling up-

Mrs. Dennison: So, it rolls up as an appropriation in the A fund, but part of that- as all the appropriations for the A fund, including- there is the A fund appropriations, there's the transfers- those two items together are funding by the tax levy, but also part of that funding is defrayed by funding from the capital reserve.

Legislator Niebel: Kathleen, it shows up as an expenditure, but it doesn't show as a revenue in their account?

Mrs. Dennison: Correct. Their total local share of a million-fifty six, includes the cost of the machines-

Legislator Niebel: Right.

Mrs. Dennison: We are anticipating funding that from the capital reserve.

Legislator Nazzaro: Are they consistent? The way you are doing that throughout the whole budget? For the other departments?

Mrs. Dennison: This one is- this is a unique item. This is one item that did not go through with a capital budget review process, so it's a little- it's an anomaly, but we felt that it's an unusual item, it does meet the criteria for capital expenditures, so it's in the budget but funded not entirely from-

Legislator Nazzaro: I guess I'm just wondering- I don't want to belabor this, but why wasn't it (*inaudible*)- I mean if you're not funding it through here, why wouldn't you just roll it into the capital budget?

Mrs. Dennison: It's in the exhibit for the capital projects, as well. It is on that list.

Legislator Chagnon: It wasn't reviewed by the Planning Board or the Capital Review Committee?

Mrs. Dennison: That is correct. I mean- let me rephrase that, I'm sorry. It was not presented as a project to the Planning Board, but it was reviewed by the Capital Project Review Committee and was proposed for funding at that time.

Legislator Niebel: But the money is there? It's accounted for? It's just coming out of the capital account?

Mrs. Dennison: Correct.

Legislator Nazzaro: Again, we aren't questioning the expenditure-

Legislator Chagnon: The financing-

Legislator Nazzaro: The financing of it- I'm not disagreeing with you. I just want to make sure it's properly accounted for.

Legislator Gould: The cost of vehicle rental went down \$5,800, but the price of fuel went- you're asking for \$250 more for fuel for less vehicles? Can somebody explain that to me?

Ms. Sanderson: Well, the vehicle lease amount is going down because we'll have one less election that we will actually lease a vehicle-

Legislator Gould: But why is the fuel going up?

Ms. Sanderson: Well, what I did is I had estimated from what was currently being spent this year, which charged-

Mr. Green: So, we're spending more money this year than we budget for?

Ms. Sanderson: On the fuel, yes.

Legislator Gould: So, that's a correction.

Mr. Abram: Donna, you're saying real costs are being projected into this budget to correct the-

Legislator Gould: It's a correction?

Mr. Green: Probably a correction- last year making a decision- you don't know how many miles you're going to drive and then you're finding out this year that we're driving a lot more miles than we thought we were, so you're using a lot more fuel to drive more miles.

Legislator Gould: Yeah, but you cut down the rental.

Mr. Green: For next year, we cut down the rental.

Legislator Gould: But not the fuel.

Mr. Green: You're right. You're absolutely right and there is no reason the fuel should be going up when the rentals are going down-

(Cross-talk)

Ms. Sanderson: So, that would probably need to be a correction. That could come down. We are going from the four vehicles *(inaudible)* the cost of fuel.

Chairman Scudder: Unless fewer vehicles are driving further?

Ms. Sanderson: Right.

Mr. Abram: That's exactly right.

Chairman Scudder: It's just mileage. It's not number of vehicles.

Ms. Sanderson: That's correct.

Chairman Scudder: Jay, you could have three vehicles drive 10,000 miles and four vehicles drive 8,000 miles.

Legislator Gould: I realize that, but if they are paying less to rent these vehicles and buying more gas- gas is going to go up. If it was a little bit, I would be able to handle that.

Ms. Sanderson: It may have been a higher guess-timate than it needed to be.

Legislator Gould: I realize \$250 isn't much, but it's just the idea of it.

Chairman Scudder: Anymore questions? Comments? Concerns? Thank you very much.

County Clerk:

Mr. Barmore: We have a few new people here that you probably don't know. This is my Deputy County Clerk, her name is Kie Mihalko. This is our new Weights and Measures Director, Bob Calhoun. Our Senior Audit Clerk, Kathy Sweeny and our Records Management Coordinator and Historian, Michelle Henry. Kie has a very important conference call she has to be on at 2 o'clock, so she is probably going to get out of here early.

Chairman Scudder: Do you have a plan?

Mr. Barmore: Just ask us questions, I guess. Do you want a presentation?

Chairman Scudder: Well, everyone was just going through-

Mr. Barmore: Kathleen put together the budget for the Clerk's Office, so I guess I'll let her speak on that.

Mrs. Dennison: We've been asking each of the Departments just to walk through your summary and add any additional comments that you think are necessary.

Ms. Sweeney: For County Clerk, our personal services are down. We had one retirement and our new employees are at much lower rates so we were able to reduce there. Contractual- we're down. The bulk of that is because of the accounting change, which I'm sure you've seen that trend and we were able to reduce a little bit elsewhere, there. Employee benefits are down considerably because of the new employees. One was a- she opted out and just different lower rates for health insurance. We did reduce our income- or our revenue a little bit just because of the current trend. Do you want to elaborate on that a little bit?

Mr. Barmore: We haven't had what we budgeted two years in a row, so we decided we'd drop it down. If we do more, great, but it seemed like a little more realistic number. I keep hearing how house sales and mortgages and everything are going up in the County, but it's not being reflected in the recording of deeds.

Ms. Sweeney: Are there any specific questions on any line items within the County Clerk?

Chairman Scudder: You're doing great.

Mr. Barmore: As far as the new employees, Kie is new. She makes less than the former Deputy. Kie's replacement is new and she makes less than Kie use to make. Sue retired. Her replacement makes a whole lot less than her because she was a thirty year employee. Kie is still learning her job and training three new people at the same time.

(Cross-talk)

Mr. Barmore: I don't know what I would do without Kie, she is so extremely talented and she's just taking charge in the office.

Ms. Mihalko: Thanks.

Chairman Scudder: Good.

Mr. Barmore: I don't know what I would do without any of my people, but we just happened to be talking about her at the moment.

Ms. Sweeney: DMV is all you.

Mr. Barmore: Over the years we had Barb Lucariello who kind of acted as the DMV Supervisor, which really wasn't her job, but she decided to do it anyways and who was I to complain. She has retired on us, now. Basically personal services- the wages are going up a little bit as normal. Our contractual, which was mostly our occupancy was down. We have a few new employees this year and some of them have opted out of insurance or taking a different insurance than the former employees, so we are saving \$24,000 there. With the change in the drivers licenses, the fact- number one that drivers licenses are now renewing and also starting in October of 2020, you cannot fly on an airplane or enter a federal building without either one of the real ID drivers licenses or the enhanced driver's license. The enhanced driver's license also gives you the right to cross the border by land into Canada, Mexico or a few Caribbean Countries by ship. However, we always recommend that if you're going to take a cruise somewhere even though you have an EDL, to have a passport because should you get to Bermuda and there's an emergency at home and you need to fly, you need a passport to get on that airplane. Anyways, people- the increase in people getting the EDL's and the real ID's are helping our income along, so we've increased our income by \$50,000 for next year.

Chairman Scudder: We are finally over that- what's a license now, eight years?

Mr. Barmore: Yes, the licenses are eight years. Actually, a year- year and a half ago, the license renewals started again and then this requirement of having to have a special license in order to fly- New York State has three drivers' licenses. We have a regular driver's license for people who just want to drive. We have a real ID license to satisfy the Federal government, which basically it takes the same amount of identification and rigmarole to get a real ID as it does an enhanced driver's license, but it doesn't cost anymore so you don't get the privileges. Then, of course, we have the enhanced license which does cost more and gives you the additional privileges, but you have to, in most cases, come into a DMV and get a new photograph when you're getting one of these two licenses and that requires people not to do an online renewal and do an office renewal. So, we get the 12.7% that goes along with it.

Chairman Scudder: Alright. Any DMV questions?

Legislator Niebel: Yeah. As far as overscheduled hours, you have an increase of \$10,000?

Mr. Barmore: Well, no. We've had that every year but last year. At this point in time or perhaps earlier, we've rolled that just into the regular wages. When Barb, before she retired, made the budget this year, she also scheduled it as over hours. I think we talked to Kathleen about it and she thought perhaps, if I remember correctly, that we should just roll it back into the regular hours. When all was said and done, I guess we let it ride to see how it panned out.

(Cross-talk)

Mrs. Dennison: The over hours- the over budget hours, it's when the actual pay is calculated- it's in base pay.

Mr. Barmore: Yeah.

Mrs. Dennison: It can be coded differently. It's quite complicated to do that. In most cases, Departments that have over scheduled hours- I actually encourage them to budget it as a separate item, but the actual is rolled up into base pay.

Legislator Niebel: Kathleen, this is the current (*inaudible*) but it's just been rolled into the base pay before? Do we have figures for 2017, 2016? How did we come up with \$10,000 as a figure? We must be basing that on something?

Mr. Barmore: What the \$10,000 covers is all three of our offices are open an extra hour and a half each week and we do not figure those hours into the regular pay. So, three people stay in each office- that hour and a half comes out of that extra \$10,000 and also, in the winter whenever the snowmobile trails are open and its snowing out, we keep our Mayville office open to take care of out of state snowmobile registrations. The cost of all that together is around \$10,000, which is why Barb has always come up with that \$10,000 figure. The way things have actually worked out over the last few years, we've had quite a bit of turnover in the DMV's and the way Civil Service works is when someone leaves your employ it takes 6-8 weeks to fill their chair so you go 6-8 weeks without payroll and we've come in under budget every year.

Legislator Niebel: Larry, look. I understand that, but as far as the \$10,000 for overschedule hours- I understand the increase in the hours, but do we have something to base that figure on? Do we have- as far as the office being opened an extra hour or hour and half- what does that come to per year?

Mr. Barmore: About \$10,000.

Legislator Niebel: OK.

Mr. Barmore: And if it makes you happy, we could just roll it all into the base pay because that's what we've ended up doing every other year.

Legislator Niebel: I just wanted to know where we are getting the \$10,000 figure. You say that based on historical costs, this is an accurate figure.

Mr. Barmore: We're talking nine people times fifty weeks a year, at an extra hour and a half- so, that's nine times fifty-

Legislator Niebel: If this is an accurate projection, I'm fine with it. I just wanted to know where it came from.

Mrs. Dennison: Because we've had this quandary every year about- do we budget for it as a separate item or do we just calculate what it is and put it in the base pay. From a technical standpoint, the way the budget system works is easier to have it as a separate item.

Legislator Niebel: OK.

Mrs. Dennison: The base pay is derived from particular positions at particular rates. This year I went out on a limb and said let's keep the budget separate because- but the actual is never going-

Mr. Barmore: Because the base pay is actually figured out on 35 hours even though some people work 36.5 each week.

Legislator Niebel: Actually Kathleen, I agree with this. I think it gives a better projection of the overtime, or extra hours or whatever. I don't have a problem with it, I just wondered what it was based on. Apparently it's based on historical costs that have been very close to \$10,000. I'm fine with that.

Mr. Barmore: Thank you Mr. Niebel.

Ms. Henry: We saw a big reduction in occupancy because records- the records facility in the sub-basement is a large area. So, that was helpful to us. The increase is because we- in records management there are only two of us and we are doing more and more work for all of the Departments. We are doing more digitization and we are also assisting the County Clerk's Office with a large data conversion project that needs to be done ASAP because the old data is residing on an AS400 that's not- we can't get maintenance for it anymore and the IT Department can't guarantee how long it's going to last. So, we've increased our work hours- mine and my assistant to 40 hours, from 35 to try and get through all of this data conversion this year and next year and then to be able to meet the digitization needs of the departments.

Legislator Chagnon: Michelle, what does that data conversion entail?

Ms. Henry: We have a situation with the data and the AS400 where there are over 600 pages of document ID's that have duplicate images. So, there's one image ID, but there's actually two images and we're not really sure how that happened and they're all images from the Clerk's court record system and land record system. They are things that we need to- you have to look in each one in the old system, determine what they both are and then go to the new system

and see if they're both in their correctly. What we are finding is in a lot of cases one of them got picked up in the conversion and the other one didn't.

Legislator Chagnon: So, it's a data cleanup?

Ms. Henry: Yes, and there is just a lot of it.

Mr. Barmore: This is what I spoke to you a month or so ago when I explained that we were putting some extra hours in because of this old system. We are finally getting it cleaned up and making sure it's correct.

Legislature Chagnon: It's turning out to be a pretty big project.

Mr. Barmore: Yeah- no, it started a big project. Like she said, there is probably 200,000 records that have to be looked at and maybe even more. The majority of them are probably correct, but we don't know for sure until we look at each and every one. If it happens to be your deed that never got transferred and you come in here and it's not in our records, you're not going to be happy. We have to go through each and every one of them individually and find the ones that are wrong and find the ones that aren't.

Chairman Scudder: Alright, I guess we are on to weights and measures.

Mr. Calhoun: For 2019, since I'm taking over as the Director the cost is going down because I make less than Marshal did and my replacement makes less than me and he also opted out of the insurance, so we saved a decent sized chunk of money right there. One difference for our revenue for 2017, there were some licensing fees for the pricing waiver that were tacked on to the end of 2017 that should have been 2018. We'll plan on having that corrected going forward. So, that's basically really all that's happening.

Mr. Barmore: Every time they build a new Dollar General, it means an additional \$1,000 to our Department every year because we get to go check them.

Mr. Calhoun: Number 20 is being built right now.

Chairman Scudder: Number twenty? In the County?

Mr. Calhoun: Blockville. They're working on the lot.

Chairman Scudder: Retirement of sealer? What's a sealer?

Mr. Barmore: That's his official title.

(Cross-talk)

Chairman Scudder: Any questions for weights and measures?

Legislator Gould: I've got a question. Vehicle fuel- in 2016 and 2017 it was around 2,000-3,000, now it's gone to 4,500. Why has it gone up?

Mr. Barmore: I had that same question earlier.

Mr. Calhoun: Hopefully I'm not going to spend that amount of money, I just wanted to have it in the budget in case the price of fuel went that high and I needed it.

Legislator Gould: Just an estimate?

Mr. Calhoun: It's a total estimate and I'm hoping that I spend nowhere near that.

Chairman Scudder: Good answer.

(Cross-talk)

Mr. Barmore: We have two vehicles, but Bob has been doing everything in his power to try to schedule their jobs so they can use one vehicle and get there together to save fuel and wear and tear on the vehicles.

Legislator Gould: I'm just curious.

Chairman Scudder: You got through Jay's question, good for you. Alright, on to Historian.

Ms. Henry: No fuel costs. *(Cross-laughter)* There's a little reduction because of occupancy. This year we got a grant to buy a historical marker that's going to go in front of the Court House, that's why there's more money in the budget for this year as far as the income goes. Typically, we get around- between \$600-\$700 that I collect from folks for copies and a little bit of research. It doesn't really reflect the true activity in the office. Whenever somebody comes onsite to do research themselves, there really aren't fees involved and that's better for us, so always encourage people to come and every year we have people- it's typically around 26 different States- people come to Chautauqua County to do research at our historical repositories. It has a tourism impact for us as well, so we encourage that.

Chairman Scudder: Questions or comments? None?

County Executive:

County Executive Borrello: Would you like you us to start with an overview?

Chairman Scudder: Yeah, whatever you'd like to do.

County Executive Borrello: Alright. I'll give you a quick little intro. Carm is going to give you the details, but as you know, we made a lot of changes recently with the creation of the position of Deputy County Executive for Economic Development, which was moved- essentially the position previous, over from the Planning and Economic Development Department to the

County Executive's Office. Carm will give the breakdowns of the impacts of all that. We had some other kind of internal changes, but overall I think we came up with a good budget and we will explain where we see the changes.

Ms. Catanese: OK. There is an increase in our 2019 budget because of the Deputy County Executive position under our budget. We also eliminated the sub-department for our Compliance Officer. We use to have a sub-department because she was located on the first floor, but since she's moved up to our office, there is no need to separate office supplies and that kind of stuff. So, we just moved her to simplify things. Her budget is now zero, but it's reflected in our budget. As he said, the Deputy County Executive position- there is an increase work load and that- so, that has increased the secretarial hours, my hours because there is just more work to do than there has been in previous years. We also increased the over scheduled hours by \$1,100 because in January at some point, Amanda will be going out on leave for an extended period of time because she is going to have a baby. I'll be coming on more fulltime than I am right now. Some of the expenses that we directly control like mileage, travel, conferences, registration have increased by \$4,930, but \$2,900 of that, unfortunately, is fuel costs. In years past, the DPF paid for the County Executive's fuel so we never knew how much was actually being charged because it was under the DPF line. So, they would prefer, and with a new Director, that we be able to track those. So now, if you look at what we spent so far this year, we are estimating \$2,900 for the fuel. Again, this County Executive goes a lot more places and travels a lot more than the prior years, which is reflected in all the positive comments we get. People are appreciating that.

Legislator Gould: Do you have two cars? One for him and one for the assistant?

Ms. Catanese: We make them carpool.

(Cross-talk)

County Executive Borrello: We actually wanted to have a better accounting, in all seriousness, because there was just no accounting of the fuel.

Legislator Gould: There never has been?

Ms. Catanese: There never has been.

County Executive Borrello: No, but it's in there-

Ms. Catanese: Essentially, theirs should decrease because we are taking \$2,900 of it-

(Cross-talk)

Ms. Catanese: Right now, in our budget, you'll see that we are over budget for 2018 for fuel because this all came about because- how is this charged? And then everybody went oh jeez-

County Executive Borrello: Previously, fuel was only if you rented a car somewhere or something like that. (*Inaudible*) if you're taking the car out of the County and fueling somewhere else-

Ms. Catanese: If you take out the \$2,900-

(*Cross-talk*)

Ms. Catanese: If you take out the \$2,900 in fuel, that's about \$930 in operational expenses. The NYSAC fees got shifted to our budget, which added \$12,603, but the occupancy charges of \$19,951 have been eliminated from our budget.

Legislator Niebel: Where were the NYSAC fees?

Ms. Catanese: They use to be spread through the departments, but now it's all being charged to the County Executive- \$12,603.

Legislator Gould: Why?

County Executive Borrello: I don't know.

Ms. Catanese: You would have to check with Kitty and Kathleen on that.

Mrs. Dennison: It's one of the three- along with the occupancy, the CSEA president and the NYSAC dues, they were distributed to each individual department and we thought it was best to consolidate them in one department. The departments are getting charged for NYSAC dues, but they don't really have any control over it. It's just eliminating some accounting entries and puts it all into one place that it really does control it-

Legislator Niebel: Kathleen, so each department has to pay NYSAC?

Mrs. Dennison: In the past, yes. In 2018 each department gets charged NYSAC fees.

Legislator Niebel: But it's not just one fee for the County.

County Executive Borrello: It is one fee for the County, but we were splitting it up amongst all the departments. Now it's just simpler.

Ms. Catanese: Every department still pays their own registration or conference fees if they chose to go, we're just taking the dues.

County Executive Borrello: Any other highlights we wanted to talk about? One of the things we did this year- I was- there has always been this rather big disparity between what the IDA pays for the position- the shared position that we have now, Deputy County Executive for Economic Development, previously Director of Economic Development/IDA Director. There was the line share that was paid by the County- more than \$80,000 of the salary, which accounts

for 75% of it. I spoke with the IDA folks and we've reduced the amount of money that we give to the IDA by \$24,000 and that is to help cover- make it a more fair distribution based on the actual work that is being done. I think is a more fair distribution of that. You won't see that anywhere. There's not an income line, it's just less money that we're giving to the IDA. It is \$24,000 less. I think it's in promotion of industry, is the line item that it came out of that we would normally get for the IDA that we've dialed back. They are going to in turn, subsidize internally with their own resources and then that helps offset the cost that the County was previously paying. Even though it doesn't change on paper, we did essentially get an additional \$24,000 by not giving it to the IDA. Does that make sense?

Legislator Chagnon: No. So, we're giving them \$24,000 less on promotion of industry>

County Executive Borrello: Yes.

Legislator Chagnon: So, we are giving them \$25,000 more out of bed tax?

County Executive Borrello: That's not going to the IDA.

Legislator Chagnon: Where is that going?

County Executive Borrello: That goes to the Planning Department. The IDA is a completely separate entity.

Legislator Chagnon: You're right. I was talking to Don McCord and he used the word IDA-

County Executive Borrello: Those are-

Mrs. Dennison: The \$24,000 savings is actually in the community contracts within promotion of industry, it's a sub-department of promotion of industry.

County Executive Borrello: But either way it's not- those positions are in Planning and Economic Development, which is separate from the IDA. Just as a reminder, the IDA's a completely separate entity from the County government.

Legislator Chagnon: Thank you Kathleen. In this 3% (*inaudible*) its listed as Chautauqua County Industrial Development Agency was getting \$50,000 and now they are getting \$75,000-

County Executive Borrello: I'm trying to recall what that was.

Mrs. Dennison: There is the tourism contract with the IDA that's funded by the occupancy tax.

Legislator Chagnon: Yes and that's been increased by-

Mrs. Dennison: That's going up, yes. There was a separate contract not associated with occupancy tax and not associated with tourism in the manufacturing community contracts that I understand was with the IDA, or associated with the IDA. That contract is being (*inaudible*) to \$24,000.

County Executive Borrello: That comes out of general-

Mrs. Dennison: That contract is being reduced to \$24,000.

County Executive Borrello: The \$25,000, now that I'm recalling it, that's for the contribution I think for the phase 2, if I'm not mistaken- for the phase 2 of the economic development strategy.

Chairman Chagnon: We took \$24,000 and we gave them \$25,000 more-

County Executive Borrello: Well, we- that's coming out of the bed tax versus coming out of the general operating expense.

Chairman Chagnon: That's where I was confused.

County Executive Borrello: It's specifically for the tourism component of the economic development strategy- if that makes sense. Any other highlights because we kind of calculated it down to see where the differential was if you kind of take out all the stuff and basically we have a net increase of \$930 if you take out all the other stuff.

Ms. Catanese: We did increase mileage because as George goes around more, Dan goes too. I shouldn't say there's no fuel for Dan, there's mileage for Dan. He has to go with George to do the prep and do the pictures and do all that.

(Cross-talk)

Legislator Niebel: I do have one more question. George and Carm, as far as base pay- and I understand we've had some transfers, base pay has gone up significantly, but in that base pay increase- Carm, have your hours gone from 35 hours a week to 40?

Ms. Catanese: I have never- when George started I was 28 hours a week. Then, we increased it to 30 hours a week. There are times that I work 35 hours, it depends on the work load. I try to make sure that we are still within the budget for 2018 for my hours because we had 2,400 in over scheduled hours. Next year, for probably at least three months, I will be at 35 hours. Right now I'm at 30 and there are times when I work 35 if its-

Legislator Niebel: And that 35 is projected into the 2019 budget?

Ms. Catanese: Yes, for a partial- for like 3 months, otherwise it's 30 hours.

Legislator Niebel: OK, then I guess I want to go back to over scheduled hours. Does that affect you or does that affect someone else?

Ms. Catanese: Well, it would affect our whole department, but it is essentially me because Amanda works her 35 hours. We put in money last year for over scheduled hours because we anticipated Amanda was going to have a baby in 2018 and that didn't happen. I have been working more and that money for over scheduled hours- if I'm over what was budgeted for me for 2018, then it will come out of the over scheduled hours.

Legislator Niebel: It won't come out of base pay? It will come out of over scheduled hours?

Ms. Catanese: Right, because I'm quite sure I will exceed what was budgeted in my base pay because I worked more than the 28 hours, but I don't think I will exceed the 2,400.

Mrs. Dennison: Once again, the actual extra money for Carm's extra hours will be in base pay, but was budgeted in over scheduled hours.

(Cross-talk)

County Executive Borrello: Any other questions?

Legislature:

Clerk Tampio: Overall, we saw an approximate 10% decrease. That is due largely to the change in the occupancy and NYSAC fees. There is no change in employee count, FTE count. Of the course the Legislature will always stay at 19 until you decide to change it and then we have the 2.49. That's myself, the Deputy Clerk and our part-time Committee Secretary. We will go- the next sheet is the summary of all three. The Legislative Board- there's no change in your salaries. There's a change in the contractual point fours, largely due to the change in occupancy and NYSAC that I mentioned. You'll notice that the 2018 adopted budget for point four and the amended budget, there was an increase there and that was due to the government reduction incentive program- the money that went to Cherry Creek, a little bit more than \$36,000. So, there's no money in the budget for that, so if there is another consolidation I would assume a resolution to take that out of fund balance, as before. There's a little bit of a reduction in the point eights. We had a Legislator who was in the tier 3 plan who is not a Legislator anymore. For the Clerk, the point ones- a little bit of an increase due to salary raises, an increase in base pay. Contractual, again the reduction of occupancy rooms fees and a slight decrease in Health Insurance. Well, there's an increase in health insurance, but there's some decreases in some other items within that line. The last page is the internal audit function. That is the- the internal audit is directed by the Audit & Control Committee. We had \$100,000 budgeted for 2018. There is an executed agreement of service with Freed Maxick for that internal audit and the amount is not to exceed \$94,270. So, in consultations with the Audit & Control members, they would like to keep another \$100,000 in there for 2019 to continue the internal audit process. So, in line item detail, I just wanted to call your attention to a couple items. We always have a print and duplicate function under the Legislature. Beginning this year the print and duplicate under the Legislature

is for the journals that we have printed. Then of course the occupancy and the NYSAC fees are gone-

Legislator Chagnon: Where was that report, Kathy?

Clerk Tampio: It would have been under the Clerk of the Legislature before. This year it has been charged to legislative board. Under the Clerk Legislature Board, we increased our print and duplicate somewhat. That is mainly for the printing of all these budget- the tentative budget books and then the adopted budget. We increased it somewhat just because we're anticipating we might see additional costs if the Print Shop is not able to print all these as they have done in the past due to Dave Watson's retirement and if we have to outsource, we might see a little bit of an increase cost for that. The legal advertising we increased this year to \$3,000. Just based on our experience this year, we've had several local laws and they get quite expensive to publish in both newspapers. That's primarily what that expense is for. As I indicated, the internal audit stays the same. Any questions?

Legislator Chagnon: (*Inaudible*) RFP's?

Clerk Tampio: Yes, if they're advertised there'll be a legal notice in the paper. Most of the notices are sent out to- they'll have a list of all the auditing firms within the region-

Legislator Chagnon: For the internal audit (*inaudible*)?

Clerk Tampio: Well, if you did the internal audit- well, yeah because you can renew it for three years. The cost is minimal. They also- a lot of RFP's are published through-

(*Cross-talk*)

Mrs. Dennison: There is a website, yes.

Clerk Tampio: There is a website that Tracy France puts them on. Any questions?

County Attorney:

Mrs. Dennison: The County Attorney is ill today, so I am speaking on his behalf. The County Attorney overall is showing a local share decrease of 1.2 percent. Mostly due to change in occupancy fees, so we'll move on to the FTE page. There is no change in the FTE's for the County Attorney, but I just wanted to point out that Mr. Abdella is planning to increase the time of one of his part time attorneys due to the raise the age initiative. So, one of the part time attorneys will actually increase .25 FTE, but the FTE is allocated to the raise the age department.

Legislator Chagnon: Which is 100% paid by the State?

Mrs. Dennison: Correct. You don't see any increase here because the increase will show up in the department under social services. Looking at the summary for the department, personal services are increasing approximately \$15,000 due to 3% increase for managers. This department

is heavily weighted with managerial staff so it does show up a little bit more here than in some other departments. There is a \$38,000 decrease in contractals due to the- \$28,000 of that due to the accounting change and the rest due to no computer purchases in 2019. There were purchases in 2018 and those do not need to be repeated. On the revenue side, there is a decrease in revenue due to revenue from the sewer districts. Starting in 2017, the Law Department is doing most of the work for the Sewer Districts and so the revenues associated with that work starting in 2019 will come through the indirect cost allocation program. So, the indirect cost- it takes two years to kind of catch up with reality, so in 2018 there will still be a revenue attributed to the Law Department for the sewer work but starting in 2019, that revenue will go away and it won't show up in the Law Department, it will show up in department 9999 that we saw earlier today. Any questions on the County Attorney's budget?

Legislator Chagnon: Kathleen, the indirect allocation will result in a reduction in the appropriations to the-

Mrs. Dennison: Well, it will result in a reduction in the appropriations for legal services-

Legislator Chagnon: For the County Attorney's Office?

Mrs. Dennison: No, there will be- he gets revenue right now, so he will no longer get the additional revenue for those services.

Legislator Chagnon: Right. So, where will the *(inaudible)*?

Mrs. Dennison: The sewer districts, they now have- in 2018, they've got a separate expense for legal services, so that will go away in 2019. Their indirect costs will eventually increase in the sewer districts.

Legislator Chagnon: And the costs will come from the appropriations in the County Attorney's budget?

Mrs. Dennison: It will be charged to the sewer districts through their indirect costs *(inaudible.)*

(Cross-talk)

Ms. Hansen: The County Attorney's expenses will still be there. They will still be the same as they were *(inaudible.)* The revenue will decrease, but the expense for the sewer district will go up *(inaudible.)*

Mrs. Dennison: The County Attorney's expenses will not change.

(Cross-talk)

Legislator Chagnon: So, their revenue decreased-

(Cross-talk)

Legislator Chagnon: OK.

Chairman Scudder: Can I make a motion to adjourn?

Legislator Davis: I'll second that.

Unanimously Carried (2:35 p.m.)

Respectfully submitted and transcribed,

Kathy K. Tampio, Clerk/Lori J. Foster, Deputy Clerk/Secretary to the Legislature/ Olivia L. Ames, Committee Secretary