

BUDGET COMMITTEE

January 19, 2022

Committee Members Present: B. Harris, D. Healy, J. Burdick, K. Demick, S. Havey, J. Ricci, P. Stockin (Absent: D. Fanton)

Others Present: G. Barnes, D. Bigelow, A. Cyr, M. Denhoff, K. Dirlam, K. Hooker, C. Jones, C. Knapp, T. Linn, T. Miner, J. Ricketts-Swales, B. Riehle, D. Root, T. Ross

Call to Order: The meeting was called to order at 1:33 p.m. by Budget Committee Chairman Brooke Harris.

Approval of Minutes

A motion was made by Legislator Havey, seconded by Legislator Ricci, and carried to approve the December 15, 2021, Budget Committee minutes.

Sales Tax Report 2021

County Treasurer Terri Ross distributed the 2021 Allegany County Sales Tax Report reflecting receipts totaling \$26,623,156.88 through December 31, 2021. The year-to-date figures show an increase of \$3,829,757.61 or 16.272 percent more compared to last year at this time. Ms. Ross stated that we did fairly well this year with an approximately 13.1 percent increase of the net difference over what we received last year including AIM and Distressed Hospital Diversions. Ms. Ross stated that the total amount of AIM deducted for the year was \$542,729.43, and the total amount of Distressed Hospitals deducted was \$199,946.35. Ms. Ross stated the Governor's goal is to no longer have AIM deducted from our Sales Tax, and we may see an increase, but it is looking like Distressed Hospitals might remain.

Sales Tax Report 2022

Ms. Ross distributed the 2022 Allegany County Sales Tax Report reflecting receipts totaling \$592,676.02 through January 3, 2022. The year-to-date figures show a decrease of \$90,489.67 or -13.246 percent less compared to last year at this time. Ms. Ross referenced the December Monthly Retail Sales report from NYSAC that she had emailed as well as provided during the meeting, and explained that advanced sales in December came in lower than anticipated. Committee Chairman Brooke Harris commented that this first Sales Tax payment for 2022 is even lower than the 2020 figures, which is not a great sign. Ms. Ross stated that we will have to wait and see what happens, but that we cannot base it off of the first payment of the year.

Budget 101 for 2022

2022 Mandated and Non-Mandated Programs

Ms. Ross provided a packet to the committee and explained that it is in a draft form, and that it had been since 2018, since she provided a Budget 101. Ms. Ross explained each section pointing out that 2020, was an anomaly year due to COVID-19, so there are some things in the report that would not normally be there. Ms. Ross stated that the blue colored section is for mandated services that generally do not have State or Federal funding, but any aid will be listed. Ms. Ross explained that the yellow colored section is for non-mandated offices with no State or Federal funding, but that some do have funding that has been noted on the report. Ms. Ross explained that these are new programs, or programs that may have received a small grant. This page will show the departments that we generally need, but are not mandated to have them, and most of them are operational. Ms. Ross explained that the green section is for mandated with State and Federal funding, so someone is telling us we have to have a particular program, or that we have to support a particular program, and pretty much everyone in this group receives State

or Federal aid. Committee Chairman Harris asked if the percentage of State and Federal Aid column represents the percent of the total expense of running a program. Ms. Ross stated that it is the percent of the revenues that are State or Federal, and that there are a couple that might be a little off because they were combined for funding. Ms. Ross reminded everyone that there are some anomalies with these reports, and they should be used as a guide. Committee Chairman Harris asked for an example and referenced line item 3140 Probation, asking if the \$154,240 is 18 percent of the total expenses of \$868,414. Ms. Ross replied, yes. Committee Chairman Harris asked what is happening in places where the funding exceeds the expenses, as with line item 6055 Day Care Block Grant. Ms. Ross stated that some of their expenses go to line item 6010 to pay for their staff, and it is the same way with the Health Department. Ms. Ross explained that their staff is paid out of a general cost center rather than the specific programs, unless their grants have a specific requirement. Committee Chairman Harris asked if everything within this section would be considered an under-funded mandate, and nothing is fully funded. Ms. Ross stated that you will see some grants that are fully funded, but in general nothing is fully funded on this page. Legislator Healy asked if Ms. Ross would agree that most of these programs have grown during her many years with the County. Ms. Ross replied, yes. Legislator Healy asked if many of them are mandated. Ms. Ross replied, yes. Legislator Healy asked if revenues from the State had also grown, and Ms. Ross stated that it is hit or miss on that, and that for instance, probation was more fully funded than it is today. Legislator Healy stated that it seems with all of the services and money that we throw at problems, the problems continue to grow. Legislator Healy stated that he is concerned we may see the same affect with the recent State initiatives for no bail or no jail, and do not solve the problem. Ms. Ross stated that the final section consists of non-mandated programs that receive some State or Federal funding. Ms. Ross stated that there is a large section for COVID-19 cost centers, and explained that they were set-up for 2020 through 2021 to support the funds that were being sent for support of all of the COVID-19 activities. Ms. Ross stated that she did not know where to put everything because we had never experienced a pandemic before. Ms. Ross explained that there are several cost centers that did not have any expenditures in 2020 that were also set-up for 2021, and there would be expenditures for those items in 2021, but that this represents only expenditures for 2020. Ms. Ross continued explaining that there are a lot of departments within this section that receive State or Federal funding. Ms. Ross stated that the very last page consists of statistics, and referenced the levy only funding box where she explained the costs for the combined mandated programs, with or without funding. Ms. Ross stated that the combined non-mandated without State or Federal funding costs, and non-mandated with State or Federal funding, totals \$25,385,061. Ms. Ross stated that the total levy received was \$28,299,335, and 90 percent of our levy went to cover those costs. Ms. Ross ended by stating this is just a general report to show where everything falls, and it is a big report with a lot of information. Committee Chairman Harris thanked Ms. Ross for her time putting everything together and reiterated that this is a draft report for 2020 data, and that it should be taken with a grain of salt.

10-Year Analysis-Including 2022 Budget and 2021-2011 Actuals

Ms. Ross stated that the first page lists some important things that they will look at when working with the budget throughout the year. Ms. Ross stated that she entered the 2022 Budget numbers as they were passed by the Board last year, as well as the 2021 Budgeted numbers because they have not closed the books for 2021, but actuals are listed for the years 2020 through 2012. Ms. Ross explained that there may be some things that occurred that she will note at the bottom such as the 2012 State implemented 2 percent tax cap, and the 2012 County Budget change due to the Federal change in Food Stamp Pass through on this sheet. Ms. Ross stated that the first page is a good one if you want to see the history for the County. Ms. Ross stated that the second page shows the Sales Tax, and that she did use actuals for 2021 because she had that data. Ms. Ross stated that the next section shows the Constitutional Tax Limit percentage to 2020. Committee Chairman Harris asked if the Sales Tax included the Diversions. Ms. Ross stated that the \$27,365,833 is the Gross Sales Tax before the Diversions. Legislator

Healy asked for the year that the County began receiving Sales Tax Revenue on internet sales. Ms. Ross stated that 2020 was the first full year of internet sales, but she will check to be sure because it may have started in April of 2020. Ms. Ross stated that page three lists State aid which had some big changes with revenue, as some of you may recall, the County entered into an agreement to become an anchor county for Raise the Age (RTA), that was a pass through of millions of dollars for the State, County and Agency's that provided the RTA services, and that increased our total for a little while. Ms. Ross stated that Federal funds are also listed, and they try to keep track of those so they can maintain a good understanding of the four largest funding sources on the next page which includes the Tax Levy, Sales Tax, State Aid, and Federal Aid that funds all of the services we provide to the County. Committee Chairman Harris asked if the Treasurer's Association keeps track of the percentage changes based on the type and amount of aid received within the County's. Ms. Ross stated that she was not aware if all of the County's keep track, but they probably watch it, maybe not to the same degree as us. Committee Chairman Harris stated that it would be interesting to see if that is a common split where a third comes from your levy, a little more than a third is from State and Federal Aid, and a little less than a third from Sales tax. Ms. Ross stated that one thing to remember is that Sales Tax is so different between Counties. Ms. Ross stated that page five lists the Total Debt Outstanding that the County has at this time, with two bonds outstanding. Ms. Ross explained that one bond is for the Courthouse and will be paid off in 2035, and the other bond is for the Jail and will be paid off in 2029. Ms. Ross stated that page six shows the Retirement Bill history. Ms. Ross ended by stating that this was a brief Budget 101 introduction, and that they wanted to show the new Legislators a history of where we were, with where we are today. Legislator Havey thanked Ms. Ross for putting this together, and that it is hugely beneficial to him.

Adjournment

There being no further business to come before the Committee, the meeting was adjourned at 2:01 p.m. following a motion by Legislator Burdick, seconded by Legislator Ricci, and carried.

Respectfully submitted,

Tiffany Linn, Confidential Secretary
Allegany County Board of Legislators