

## BUDGET MINUTES

### FINANCE COMMITTEE

**Thursday, September 23, 2021 9:04 a.m.**

Present: Supervisors Leonard, Bender and Groat, County Administrator Rick House, Fiscal Assistants Ken Blake and Brian Sams, Information Technology Director Matt Ury, Deputy Director Andrea Petrus, Auditor Kristen Scott, Real Property Tax Director Karen Ambroz, Treasurer Patrick Schmitt, Land Bank Director Mark Humbert and Purchasing Agent Kaleigh Flynn. Supervisor Robusto was not present for the meeting.

The Governor mandated all Nursing Home staff be COVID vaccinated by September 27<sup>th</sup>. Mr. House said this mandate has resulted in six County Nursing Home staff members to resign from their positions; this number may increase next week. An employee submitted a religious exemption for the vaccination; Mr. House assumes additional exemptions will be made. He and the County Attorney developed a questionnaire for employees that have a religious exemption to complete. Questions appearing on the application were reviewed. Any employee requesting a religious exemption will also have to have a personal meeting with the County Attorney.

Mr. Sams updated the group on the County's preliminary 2022 budget. Appropriation are over \$200 million for the first time. The budget reflects an increase in inter-fund transfers, the majority of this is from D and DM transfers. The budget increased sales tax revenues by \$7 million, and increased assessed property values by over 8%, resulting in a tax rate reduction from \$7.52 to \$7.11. There are 44 new/or title change positions in the 2022 budget. The majority of these positions are paid for with grant funds. After these additions, County staff is down 41 positions from 2020. Sales tax revenue is budgeted for \$44 million in 2022. American Rescue Plan (ARPA) funds are included in the budget for \$8.7 million. The preliminary 2022 County budget is under the State's tax cap mandate.

Mr. House reviewed how Department Heads have been instructed to continue position control. New positions will not be placed in the County's 2022 budget unless approved through the Standing Committee process. Changes in title are only being made after review through the Human Resource Department to make certain new titles are appropriate for the job being performing.

The following individual budgets were reviewed (electronic copies of budgets were distributed to Supervisors prior to the meeting):

- ARPA: Revenue \$8,732,759.
- Unemployment Reserve: No County cost.
- Hospitalization and Medical Insurance Retirees: County cost remains the same at \$1,345,000. This appropriation line will lower in coming years, as this program is no longer offered to retirees.

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- Serial Bonds: County cost up slightly to \$1,652,190.
- Interfund Transfer: County cost up 11.5% to \$8,920,519. Mr. Sams said this budget is up substantially due to highway machinery purchases that are scheduled to occur in 2022.
- 9999 Other: Revenues up 10.4% to \$90,985,356. The tax levy is up substantially, PILOT programs are up slightly along with interest rates and sales tax is up substantially. Casino revenues are anticipated to increase, as facilities will be operating for the entire year. The value of the Ginna Nuclear Power Plant was discussed. Tobacco Settlement funds of \$1 million annually will not be received after 2023.
- Expense of Property Acquired for Taxes: County cost remains at \$6,000.
- Unallocated Insurance: County cost up 2% to \$62,000.
- Judgment and Claims: County cost up 20% to \$60,000.
- Liability and Casualty Reserve: County cost down 16.6% to \$25,000. This is based on expenses from this year.
- Distribution of Sales Tax: Revenue up 10.7% to \$14,480,000.
- Contingency Fund: County cost down 31.4% to \$1,290,000. The preliminary 2022 budget does not contain any monies from this fund. There was not be the need to place funding for managerial salaries in this budget as salary increases are included in Department budgets.
- Community College: County cost remains the same at \$5.3 million.
- Land Bank: No County cost. Originally, the County committed an annual appropriation of \$250,000 for 2018, 2019 and 2020 to the Land Bank; the payment was only made in 2018, as the Land Bank had revenues to operate without additional County funds. Mr. Humbert said expense at year-end should not exceed \$1,680,000 and revenues are anticipated to be \$1,520,000. He distributed a report on Land Bank activities. The report included residential, commercial and environmental clean-up projects. The cost for demolition of any structure is high. The Land Bank operates with the revenue received through the sale of properties and leases. Some Community Development Block Grant funds were received for specific projects; those funds will be expended through 2022. State Enterprise Grant funds have yet to be reimbursed for projects. Proceeds from this year's County tax foreclosure auction were very high and have provided ample income for the Land Bank to operate without the request of a County appropriation in 2022. A brief discussion took place on individuals donating property to the Land Bank.

- County Auditor: Personal services up 14% to \$113,075, contractual expenses down 22% to \$79,207, fringe benefits \$41,413, County cost down slightly to \$233,695. Personal services are up due to a pay grade change for the Audit Clerk. Ms. Scott said the travel line was increased to support additional conference opportunities staff will be taking advantage of in 2022. Ms. Scott will seek tuition reimbursement as she continues to pursue college courses. The Accounts and Auditors line was reduced \$23,900 from the 2021 budget as the amount previously paid through this budget for external auditing services is now being proportionally paid for by County Departments.
- Purchasing: Personal services up 77% to \$89,116, contractual expenses up 56% to \$11,726, fringe benefits up to \$46,727, County cost up 91% to \$147,569. Ms. Flynn stated the position of Purchasing Clerk was added mid-year and the 2022 budget includes the position's salary for the entire year, along with benefits. Both telephone and IT expenses were increased in the coming year; she has no control over these expenses. Ms. Flynn said an account line may be needed for the cost the Department pays Staples for set up fees to create custom items to be added to the County's print program. The Committee agreed a preliminary budget would be added to the budget to include a \$500 expense line for this purpose.
- Real Property Tax: Revenue up to \$50,500, personal services down slightly to \$337,632, contractual expenses up 77% to \$137,060, fringe benefits up 6%, County cost up 12.5% to \$584,792. Mrs. Ambroz noted the 2022 budget includes a title and salary change from Tax Map Technician to Senior Tax Map Technician. The position upgrade was approved through the Committee process. Increases in both IT and Maintenance and Utilities charges are not controllable and both increased. There was a substantial increase in the Training, Seminar and School line to accommodate necessary training for the conversion to the ESRI Program for the County's Geographic Information System (GIS). Mrs. Ambroz said she will seek grant funds to help cover the high cost. The need to have all tax maps in the County converted to the same system with accurate information was stated. Mr. Ury stated the importance to included tax map corrections in any data entered into the ESRI system. The need to keep the County's GIS system updated once it is converted was stated. Mrs. Ambroz said the County may need to look at a contractor providing conversion services; a group could be organized to review what information they want included with only one representative from the County dealing directly with the consultant. Mr. Schmitt said such a project should qualify for ARPA funding. There have been discussions about out sourcing the printing of tax bills. The time and materials the County spends on this appear to be higher than what a contractor would charge. Mrs. Ambroz said a contractor should not have problems with converting municipal tax bills into the MUNIS system. The Real Property Tax Office would continue their work on tax bills; however, instead of forwarding the bills to the IT Department for printing they would be outsourced. A contractor would offer the option of sealing and mailing the tax bills for municipalities. Requests For Proposals would need to be issued for this printing process. Mrs. Ambroz said the plan would be to start with school tax bills in 2022. The

Committee agreed to remove the \$30,000 expense of tax bill printing from the IT Department budget and place this line into the Real Property Tax budget.

- Treasurer: Revenue down 7.4% to \$165,350, personal services up 4% to \$489,653, contractual expenses up 44% to \$463,151, fringe benefits up 3.7% to \$250,076, County cost up 21.6% to \$1,037,530. The budget includes a \$15,000 Shared Services Fee revenue for financial services the Office provides the Health Care Trust. The Accountant position was abolished and the new position of Principal Tax Clerk added. Mr. Schmitt said he will continue his discussion with this Committee to change the title of a Senior Account Clerk to a Title Searcher at a separate meeting. The Office will begin performing title searches in-house; as there have been many delays having this service outsourced. The staff member will not be able to do all search, but it will reduce the number that are sent out. The budget includes \$109,210; the remaining 50% due on the new System East Tax Collection Software, that was purchased in 2021.
- Treasurer—Grants: Revenue \$34,500, personal services \$49,366, contractual expenses \$4,046, fringe benefits \$19,214, County cost \$38,126. The position of Grant Finance Coordinator created in mid-2021, is included for the entire year in this budget. The Public Defender's Office pays 50% of the position's cost for the work they perform on grants related to the Department.
- Information Technology: Revenue up 2.8% to \$1,836,397, personal expenses \$1,143,408, equipment \$200,000, contractual expenses up 30% to \$1,246,537, fringe benefits \$536,217, County cost up 59% to \$1,289,765. Mr. Ury said many budget line have been raised to pre-COVID figures. The budget abolishes the positions of Senior Computer Programmer and IT Support Specialist and adds Computer Services Assistant and Application Support Analysis positions. The Software budget line was increased by over \$100,000. Mr. Ury said additional funds will accommodate cyber security programs. He questioned if ARPA funds would be available for a cyber-security project. The budget includes \$15,000 for Training, Seminars and Schools. Mr. Ury stated the need to keep his staff well trained. The Telephone line increased by nearly 25% to accommodate the secondary internet connection needed to accommodate the new countywide telephone system.

All budgets, with noted changes, were approved.

In other business, Mr. Groat reviewed a discussion at the Economic Development/Planning Committee budget meeting regarding ARPA funding being utilize for a countywide broadband project. Mr. House said there will be a time in the near future when the entire Board needs to be updated on the County's broadband project. This project is estimated to cost \$10 million.

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The first meeting of the ARPA funding committee occurred. The second meeting is scheduled for October 12<sup>th</sup>. No funding will be appropriated with ARPA funds unless approved through this committee.

Mr. House said he spoke to many Department Heads regarding the State claw-backs that were proposed for this year. The majority of Departments are receiving 95-100% of their allocations. He will be questioning the State as to what 'Distressed Hospital Funds' are utilized for.

The meeting adjourned at 11:02 a.m. The next meeting of the Finance Committee is scheduled for Tuesday, October 12<sup>th</sup> at 8:30 a.m.