

MINUTES

FINANCE COMMITTEE

Friday, September 20, 2019 1:00 p.m.

Present: Supervisors Pagano, Miller, Crane, Deming, Groat and LeRoy, County Administrator Rick House, Fiscal Assistant Ken Blake, Information Technology Director Matt Ury, County Purchasing Clerk Kaleigh Flynn, Auditor Kristen Scott, Real Property Tax Director Karen Ambroz, Land Bank Director Mark Humbert, Insurance Specialist Brian Sams, County Attorney Dan Connors and Treasurer Patrick Schmitt.

Mr. Blake noted the County budget is still in a tentative state; the budget process began earlier this year to allow additional time for input and review.

The following budgets were reviewed:

- County Auditor: Personal services up slightly to \$89,740, contractual services up 8% to \$106,928, fringe benefits down 10% to \$29,315, County cost up to \$227,103. Ms. Scott said increases in the budget are due to increases in chargeback expenses from other departments and union and managerial salary increases. The conference line was increased to allow for additional training in the coming year. The accountants and auditors line increased \$11,000 this year, as this service is now out for RFPs and it is anticipated to increase; once the true number is known she will let Mr. Blake know. The budget includes the purchase of one new computer and related equipment. In other business, Ms. Scott brought to member's attention a request she received for an assigned council payment that was eight months old. Mr. Deming made a motion the Committee enter into executive session at 1:07 p.m. to discuss a matter of potential litigation with Mr. Connors present, Mr. Miller second. The regular meeting resumed at 1:14 p.m. Mrs. Crane made a motion the voucher be paid due to extenuating circumstances, Mr. Miller second. Carried. Mr. Connors said he would send a letter to the attorney who submitted the late bill.
- Land Bank: County cost remains at \$250,000. Mr. Humbert thanked the County for their support of the new program. He requested they continue their three-year commitment of funding, noting the value of this investment. Mrs. Pagano stated receipt of municipal funds is looked favorably upon in grant requests. Mr. Groat questioned if the County could hold back on this appropriation and give it mid-year, if needed.
- Purchasing: Personal services up 5% to \$33,455, contractual expenses up 17% to \$5,962, fringe benefits up 4.6% to \$14,342, County cost up 6% to \$53,759. Ms. Flynn noted the increase in the conference line will allow her to attend additional training opportunities. The budget includes the purchase of a computer riser.
- Contingency budget: County cost down 32% to \$1.5 million.
- Community College: County cost down 5.3% to \$5.3 million. Mr. Blake noted the 2019 budget was increased due to college tuition rate increases, it appears this year's can be decreased slightly. He will have a better estimate on this number at the end of October, and the budgeted appropriations can be adjusted appropriately at that time.
- Unallocated Insurance: County cost up 10% to \$62,093. Mr. Sams said this is an estimated cost, with the majority of related expenses charged back to County Departments.
- Expenses on Acquired Property: County cost remains at \$6,000. This budget covers the cost related to the tax foreclosure sale, including the price of the auctioneer.

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- Hospital and Medical Insurance: County cost down nearly 2% to \$1,340,000. This budget is for payments to the State Retirement System and the County cost for retiree health insurance plans.
- Serial Bonds: County cost up 80% to \$1,756,390. This budget includes the principal and interest payments for the 16 William Street Project and the Public Safety Building. Three interest payments will be made in 2020 for this project; only two in the following years. Mr. Schmitt said principal and interest bonds for the Public Safety Building should be reduced in the coming year; as they are eligible for refinancing.
- A9999 Other Income: Revenues up 2% to \$80,742,745. Mr. Blake said efforts have been made to make these revenues more realistic. Sales tax revenue will be amended once the October distribution can be reviewed.
- Interest Earnings: Mr. Schmitt said this revenue account could increase more during the year depending on investment accounts, casino and gaming revenue is down slightly. Tobacco settlement funds the County has received for 17 years will stop coming in 2023.
- Information Technology: Revenue down 11% to \$1,779,800, personal services up 4% to \$1,068,803, equipment down 84.5% to \$82,000, contractual expenses up 28% to \$1,139,350, fringe benefits up 5% to \$459,201, County cost up 7.3% to \$1,069,554. Mr. Ury stated his Office is focusing on additional security system purchases for the many computers they are responsible for. Mileage cost are down due to staff use of County vehicles. The budget reflects the cost of one Social Service employee who was moved to the IT Office just this month and will be budgeted for the entire year in 2020. Administration agreed all IT services should be housed under this Department. All computers purchased this year have yet to be installed; there are additional computers being purchased and in need of installation in various department in the 2020 budget. Mr. Groat questioned why the individual that oversees IT services for the County's Emergency Services Department is not under the Information Technology Office. Mr. Ury said the work related to the project this individual oversees is specialized and this is the only project they will work on.
- Real Property Tax: Revenues up 3.7% to \$48,150, personal services up 4.8% to \$335,567, contractual expenses down 2% to \$130,604, fringe benefits up slightly to \$131,418, County cost up 2% to \$551,439. Mrs. Ambroz said the increase in salaries is due to Union contracts and managerial increases. The supply line was increased due to the additional cost for printer toner.
- County Treasurer: Revenues up substantially to \$152,000, personal services up 16.5% to \$458,325, equipment \$2,000, contractual expenses down 22.5% to \$378,270, fringe benefits up 3.5% to \$209,018, County cost down 13% to \$895,613. Mr. Schmitt said the true cost for title searches and mailing fees are being reflected in the budget. The \$2,000 equipment line is for the purchase of a safe. Several computers in the Office will be replaced in 2020. The RFP for a financial advisor resulted in lower costs than were paid in the previous year. A new copier will be purchased in the coming year; the cost of that lease is reflected in the budget. The charge back for Information Technology was dropped drastically; the new figure reflects a more accurate charge for services.

Supervisor Leroy left the meeting at 2:35 p.m.

- Judgement and Claims: County cost remains at \$75,000. These funds are utilized to pay out negotiated settlements that do not meet the County's insurance deductible amount.
- Liability and Causalities Reserve: County cost \$25,000. This budget is utilized for motor vehicle accident costs that are not covered by insurance; the revenue line is when the County is reimbursed for damages.

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- Unemployment Reserve: County Departments are charged back for any unemployment cost incurred by their staff; the amount is funneled through this \$75,500 budget.
- Vacation and Sick Time Hospital: This budget is the financial value of accruals for employees that remain on the books at the end of each year.
- Distribution of Sales Tax: There is no County cost for this \$12,980,000 budget. These are the sale tax dollars collected by the County with a portion distributed to towns, village and school districts.

Mrs. Crane asked for a list of County employees that have been hired with grant funds. Mr. House said he would obtain this information from the Human Resource Office.

Mr. Blake updated members on the preliminary 2020 County budget. As the budget now exist there is a \$6.1 million gap after taking into consideration the increase in property taxes of \$1.1 million. Salary and benefit budgets reflect Union negotiated and managerial salary increases. In 2019 the County utilize \$5.1 million from the general fund to balance the budget, as the budget now stands for 2020, \$6.1 million will be needed. Federal and State revenues for 2020 are anticipated to be higher, as are the County's interest income and sales tax revenue. The budget includes a \$1.3 million increase from the general fund to offset the Nursing Home's IGT payment, a \$400,000 reduction for a Jail vacancy factor, a \$600,000 reduction in Highway subsidy, a \$500,000 increase in County sales tax distribution, and a \$1.1 million increased in the tax levy. 2020 appropriation requests from outside agencies were reviewed. The majority of agencies remained flat in their requests. The increase from Pre-Trail was for \$6,000; the work this agency does and the financial savings that results to the County was noted. The \$5,000 increase request by Cooperative Extension was discussed at length. Supervisors acknowledged that Wayne County has a large agricultural community; however, questioned the increased funding this Agency receives from the County every year.

The audited unassigned fund balance as of December 31, 2018 was \$48.2 million, Supervisors discussed at an earlier meeting the possibility of rescinding the Resolution that excludes local sales tax on clothing with a value of \$110 or less. Wayne County is one of six counties in the State that do not charge this tax. It is estimated elimination of this tax exemption could generate \$750,000 for the County. The change in this exemption can be done by Board Resolution and must be done 90 days before it is to go into effect. Mr. Blake said at the Health and Medical Services Committee budget meeting it was agreed the County would bill the Nursing Home for indirect costs paid by the County's General Fund; the amount in 2019 will be \$330,000 the same amount will be added as a revenue in the County budget for 2020. Other budget reductions include the elimination or reduction in funding to the Land Bank, the County appropriation to agencies could be reduced or eliminated, and/or funding for Capital Plan projects could be reduced.

Mrs. Crane noted County Departments were told to hold the line on their budgets, yet outside agencies are making increases. She voiced concern with the amount of funding Cooperative Extension receives and their continued request for more County dollars. During their budget presentation, Extension noted building improvements were included in their 2020 budget; Supervisors questioned if the County should be paying for these costs. Mr. Groat said he would support no increase to the Extension budget for the 2020 year. Mr. Deming said he would like to review outside agency budgets in additional detail before reducing funding to any of them.

Mr. Blake stated the Highway and Highway Equipment fund balances are large enough to fund appropriations and reduce the general fund transfers. He also noted Indigent Legal Services

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grant funding is only available, at this time, to fund Pre-Trial's Adult Diversion Program through November.

Supervisors reviewed the \$250,000 appropriation scheduled to be made to the Land Bank. This is the third, and final, financial commitment the County made when it started the program. The Land Bank also receives all the proceeds from the County's property tax foreclosure sale and in 2019 received over \$700,000 in Community Development Block Grant funding. Mr. Deming said he sees the Land Bank program benefiting communities. Mr. Miller said he would like to keep the County's three-year financial commitment to the program. It was agreed this \$250,000 appropriation would remain in the County budget at this time.

Mrs. Pagano questioned if the County was still committed to appropriating \$5.4 million to school districts. Supervisors noted the reduction of this appropriation would not have to be done all in one year, but could be done over a multi-year period. Supervisors agreed input from the entire Board would be needed on this issue.

The meeting adjourned at 3:40 p.m. The next meeting of the Finance Committee is scheduled for Tuesday, October 8th at 8:30 a.m.