Finance & Administration Committee

60 Central Ave
Cortland, NY 13045
https://www.cortlandcountyny.gov

Special Meeting

~ Minutes ~

Tuesday, November 5, 2024 **12:00 PM** **Room 302**

Call to Order

The meeting was called to order at 12:00 PM by Committee Chair Cathy Bischoff

Attendee Name	Organization	Title	Status	Arrived
Beau Harbin	Cortland County, NY	Committee Member	Present	
Linda Jones	Cortland County, NY	Committee Member	Present	
Joseph Nauseef	Cortland County, NY	Committee Member	Present	
Sandra Price	Cortland County, NY	Committee Member	Present	
Eugene Waldbauer	Cortland County, NY	Committee Member	Present	
William McGovern	Cortland County, NY	Committee Vice-Chair	Present	
Cathy Bischoff	Cortland County, NY	Committee Chair	Present	
Savannah Hempstead	Cortland County, NY	Clerk of the Legislature	Present	
Kevin Fitch	Cortland County, NY	Chair of the Legislature	Present	
Rob Corpora	Cortland County, NY	County Administrator	Present	
Andrea Herzog	Cortland County, NY	Director of Finance	Present	
Melanie Vilardi	Cortland County, NY	Deputy County Administrator	Present	
Morgan Spaulding	Cortland County, NY	Grants Administrator	Present	
Paul Heider	Cortland County, NY	Board Member	Present	
Kris Valentine Behnke	Cortland County, NY	Board Member	Present	
Ronald J. Van Dee	Cortland County, NY	Board Member	Present	
Patrick Clune	Village of Homer	Deputy Mayor	Present	
Ashley Millard	Cortland County, NY	Deputy Clerk of the Legislature	Remote	
Victoria J. Monty	Cortland County, NY	County Attorney	Remote	
Carlita Withers	Cortland County, NY	Deputy Director of Finance	Remote	
Jessica Leet	Cortland County, NY	Planning Executive Assistant	Remote	

Discussion Items

1. Discuss Possible Changes to the 2025 Cortland County Tentative Budget

RESULT:	**COMPLETED**

Adjournment

The meeting was closed at 12:57 PM

2025 Proposed Budget Overview: The County's Challenges and Opportunities

In a sentence, the 2025 Tentative Budget is a maintenance document. There are only a limited number of deliberate specific upgrades in personnel or operations. There are no new positions and, for the majority of cost centers outside of salaries and fringe benefits, funding is flat or reduced from FY 2024. The County's financial horizon is firmly focused on the ground, there is little dialog about needed investments in infrastructure or programmatic retooling and a number of measures taken to balance the budget are temporary patches.

The 2025 budget discussion started with a deficit of 18.07% winnowed down 15% or $6.4 million. Although steps were used to arrive at a zero for a fully funded budget, I will submit there is still functionally a $6 plus million deficit. Those are real costs, folks, speaking to an underlying issue of **structural inefficiencies** and an **inadequate base** of reliable revenue streams.

What does that mean when this term fully funded budget is used? We are obligated by budgetary standards to fully fund the County's approved available positions. However, in any given year and certainly within the last several years, the County experienced a high vacancy rate which means that a significant percentage of those fully funded positions are never actually filled. Instead of taxing our residents, common practice uses the general fund to cover what will probably prove to be an unrealized expense and that practice is followed in the proposed 2025 Tentative Budget. Approximately $2.5 million is transferred from general fund to this future budget to compensate for the probability that a minimum of 25 positions are vacant at any given time throughout the 2025 year. The cost per position is approximately $100,000 times 25 equals $2.5 million. Therefore, if we have projected accurately, by the end of fiscal year 2025 that $2.5 million will be unused and returned to the general fund.

It can be argued then that the present and structural budgetary deficit is around $4 million. I could argue that thinking is precarious because happenstance and aggressive recruiting could reduce those vacancies from 30 to 10 or 5 during the year, and our anticipated return of our borrowed general fund allocation is, in fact, decreased down to $1 million or less. I can argue that financial prudence and frankly good budgetary practice would recommend that a balanced budget should mean **a balanced budget** and present sources of revenue income, outside of surplus general funds, should be sufficiently adequate to fully fund the County's anticipated yearly operational expenditures. Therefore, any use of general fund is more appropriately targeted for unanticipated contingency issues and/or for future investment goals. Within that framework, I will argue the County has a structural deficit of $6.4 million.

Plainly stated, we are budgeting ongoing bread and butter activities beyond current income. There are several potential remedies including rethinking the County's current operational scope, increasing property taxes up to or beyond the cap, reallocating more sales tax to the County, vigorously pursuing state and federal grants, and so forth. The above fiscal analysis may not immediately restrict the County's 2025 budgetary debate but it should serve as a backdrop and warning that robust fiscal planning for both the moderate and long term economic health of the County's finances must occur in the very near future.

2025 Tentative Budgetary Assumptions, Additions or Deletions for Review and Possible Action by the Finance & Administration Committee

Currently, the 2025 Tentative Budget is technically balanced. Changes to assumptions built into this budget could result in a deficit. For any such proposed change, the Finance & Administration will consider the fiscal implications and whether the committee wishes to consider an amendment to the budget. If the change causes a deficit, the Committee will consider how this change will be funded through other sources or actions without using unappropriated general fund. If the Committee is unable to identify ways to fund such a change without using unappropriated funds yet still chooses to recommend this change, the Committee will provide a justification for the additional use of unappropriated general fund.

Two major categories: Those budgetary proposals already present in the tentative budget and those proposals currently omitted or absent from the tentative budget. #1 thru 4 are included in the 2025 Tentative Budget. Any change **will require** the Finance & Administration to propose an amendment. #5 does not automatically required Finance & Administration action although the committee could choose to recommendation action on any item in this category.

1. Tentative General Budgetary Assumptions (countywide actions taken to balance budget and resolve $6.4 million deficit) to be reviewed

Property Tax Rate Projection:	3.25% (cap is 3.64%)
Sales Tax Revenue Projection:	$40,000,000 (FY 24 Estimate $39.45 million)
Retirement Fund Use to Balance	$600,000
Jail Reserve Account Use to Balance	$1,000,000
Unappropriated General Fund	$2,507,105.51

2. Tentative Departmental Budgetary Assumptions (department specific actions taken to balance budget and resolve $6.4 million deficit) to be reviewed

DSS Deferred Revenue Account used	$2,500,000
DSS Proposed Expense Decrease	$664,869.72
Highway Proposed Expense Decrease	$275,373.11
Information Technology	$315,255.97
Requested New positions not authorized	$440,404.26

3. 2025 Departmental Positions to be Held Vacant for FY 25 to be reviewed:

County Clerk, Motor Vehicle Clerk	$53,464.33
Personnel, Human Resources Manager	$99,546.57
Sheriff, Jail, 3 Correction Officers	$84,167.33 (times 3)
Sheriff, Road Patrol, County Police Officer	$86,000
County Attorney, Paralegal	$62,016.32
Building & Grounds	$54,143.14
TOTAL	**($607,973.17)**

Finance & Administration could choose to subtract or add to the Vacancy Hold list.

4. 2025 Tentative Budgetary Position Requests Approved to be reviewed:

These positions are currently part of the 2025 budget. Finance Administration can determine whether any or all will go forward or not go forward as currently budgeted.

Abolish/Create:	**$$ Budgetary Impact w/fringes**
Abolish Secretary to the County Attorney Management Grade 5H ($23.4039-31.1506/hr.)	
1 Create Executive Assistant to the County Attorney Management Grade 11 ($55119-73.364)	$14,832.09 offset by not funding Paralegal
1 Abolish Senior Account Clerk CSEA Grade 10 ($20.1738-25.5349/hr.)	
1 Create Fiscal Officer CSEA Grade 17 ($25.4283-32.1859/hr.)	$11,519.97 portion offset by revenues
1 Abolish MDT Facilitator/Safe Harbour Coordinator CSEA Grade 13 ($22.2053-28.1062/hr.)	
1 Create MDT Coordinator CSEA Grade 13 ($22.2053-28.1062/hr.)	$0
1 Abolish Family Advocate (PT) CSEA Grade 12 ($21.4940-27.2060/hr.)	
1 Safe Harbour Coordinator (PT) CSEA Grade 13 ($22.2053-28.1062/hr.)	$779.73

Reallocation:

2 HVAC System Technician CSEA Grade 15 ($23-30 /hr) to CSEA Grade 17 ($25-32 /hr)	$7,392.33
1 Tax Map Technician CSEA Grade 12 ($21-27 /hr) to CSEA Grade 16 ($24-31/hr)	$8,921.53
1 Superintendent of Highways Mngt Grade 3 ($98,304-130,843) to Mngt Grade 2 ($105,677-140,657)	$8,847.60 offset by savings
1 Deputy Superintendent of Highways Mngt Grade 6 ($79,132-105,324) to Mngt Grade 5 ($85,067-113,223)	$7,122.00 offset by savings

5. 2025 Original Departmental Budget Positions or other funding requests for Reconsideration

These positions or funding requests are currently **not** part of the 2025 budget. Finance & Administration to determine whether any or all will go forward or remain deleted from the 2025 Tentative Budget.

Department	Request to Reinstate Original Budget Request
Planning	Abolish Mobility Manger/Create Planning & Strategic Programs Manager. Promotes Grade 7 ($59,254) to a Grade 10 ($73,611) Fully funded through outside state grant monies
Clerk of the Legislature	Reallocation of Deputy Clerk from Grade 12 ($51274) to Grade 10 ($59,254) Reconsider original ask for legislature participation in conferences Ed & Training – reduced from $7000 to $3500 Travel – reduced from $8000 to $4000
District Attorney	New position: 1 Assistant Attorney (Grade 2 (need new salary)
Public Defender	Professional Services: Reinstate $20,000 original ask from a proposed reduction to $10,000
Office of Aging	New Position: 1 Food Service Helper (Grade 3 $16 -$20 per hr.) Total Salary: (Need figure)
DSS/CAC	Abolish MDT Facilitator/Safe Harbor and create MDT Facilitator/Forensic Interviewer. Promotes position from a Grade 13 ($22 to $28 per hr.) to a Grade 22 ($30 -$38 per hr.) NOTE: A revised position **is included** in the budget, MDT Coordinator, and the net cost to the County is $9000 as opposed to the original $60,000 request. Please also note this is the first year in which CAC (Child Advocacy Center**) is not budget neutral**.

County Costs:		2024		2025		Increase		
Total Labor increase:					$	2,439,907		
Total Insurance increase:	$	784,972	$	863,469	$	78,497		
Health Insurance increase:	$	9,648,390	$	10,034,326	$	385,936		
Retirement increase:	$	3,848,076	$	5,689,174	$	1,841,098		
Other:								
730 Evaluations	$	111,198	$	300,000	$	188,802		
DSS - Housing, Child Care, Medic	$	18,800,000	$	20,000,000	$	1,200,000		
Transportation	$	-	$	135,000	$	135,000		
Total Additional Costs for FY25					**$**	**6,269,240**		
Estimated Property Tax Levy Increase for expenses:							**15.99%**	

County Revenue

Additional Property Tax Levy over FY 2024	$	1,276,275.00		3.25% rate increase; 3.64% is ta›
Additional Sales Tax Receipts over FY 2024	$	825,000.00		FY 24 est. $20,550,000 ($38,500
Additional Interest Income over FY 2024	$	500,000.00		FY 24 est. $1,000,000 FY 25 es
Total Additional Revenue FY25	**$**	**2,601,275.00**		

County Costs - Revenue

Total Deficit for FY 25	Deficit	$	3,667,965.00	
Estimated Property Tax Levy Increase for expenses				**9.36%**
Transfer of FY25 Jail Reserve Sales Tax Funds	Revenue	$	1,000,000.00	
Transfer General Fund*	Revenue	$	2,507,105.00	
County Adminstration Line Item Reductions	Reduction	$	160,860.00	
	Balance	$	-	
*Remaining Unappropriated General Fund		$	2,426,303.00	