

**PUBLIC HEARING**  
**ORLEANS COUNTY LEGISLATURE**  
November 30, 2023 at 4:30 p.m.  
2024 Budget Hearing

Present: William Eick, Edward Morgan, Donald Allport, Katherine Bogan, John C. Welch, Jr., Lynne Johnson, Lisa Stenshorn, Kimberly DeFrank, John Fitzak, Fred Miller.

Chairman Johnson called the public hearing to order at 4:30 p.m.

Pledge to the Flag

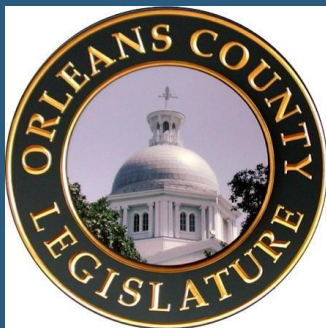
Invocation was provided by Veterans Services Agency Director Nancy Traxler.

The Clerk then read the Legal Notice as it was published in the newspaper.

Good afternoon and welcome to the Orleans County Legislature. I am Chairman Lynne Johnson. Today, we are gathered for our annual budget presentation and public hearing. I want to thank everyone for attending today, either in-person or streaming live through our zoom link. We very much want to hear your thoughts and encourage your participation. In just a moment, our Chief Administrative Officer, Jack Welch, will do a brief overview of the tentative budget. He is going to discuss a lot of numbers because obviously, budgets are about dollars and cents. But budgets are also about strategic priorities and long-term plans. We need to govern to meet immediate needs and demands, while investing in areas that foster growth and future opportunity. We cannot predict the future, but we can do our best to prepare for what may lay ahead down the road. I want to acknowledge the work of Jack and all of our Department Heads and employees who worked very diligently to put together what I believe is a fiscally responsible budget. We have our challenges – from the burden of state mandates to continued inflation pressures and much more – but I'm confident in the plan we have put together.

At this time, Chairman Johnson turned the meeting over to CAO John C. Welch, Jr.

**2024 TENTATIVE BUDGET**



**ORLEANS COUNTY LEGISLATURE**

<b>William H. Eick</b>	<b>District No.1</b>
<b>Lynne M. Johnson</b>	<b>District No.2</b>
<b>Fred Miller</b>	<b>District No.3</b>
<b>John M. Fitzak</b>	<b>District No.4</b>
<b>Edward F.Morgan</b>	<b>Member at Large, East</b>
<b>Donald J. Allport</b>	<b>Member at Large, Center</b>
<b>Merle "Skip" Draper</b>	<b>Member at Large, West</b>

## FINANCE COMMITTEE

Lynne M. Johnson  
Legislative, Chair

Merle "Skip" Draper  
Finance Committee, Chairman

John Fitzak  
Finance Committee, Vice-Chairman

John C. Welch Jr.  
Budget Officer

Kimberly DeFrank  
Deputy Budget Officer

## THE PROCESS

- June – July - Budget Office begins preparations
- August - Departments receive budget materials and instructions
- September - Departments return their budget requests to the budget officer
- October - Each department meets with either the budget officers and/or the full finance committee to go over their budget and make changes
- November - The tentative budget is filed with the Clerk of the Legislature
- November 30<sup>th</sup> - Public Hearing and adoption of the budget

## Elements Making up a County Budget

### • Programmatic Expenses (Total Appropriations)

- Minus Federal revenues / aid
- Minus State revenues / aid
- Minus local revenues
- Minus local sales tax share

Equals the County property tax levy

## 2024 BUDGET OVERVIEW

### Key Principles and Goals

- Maintain core county services and programs in the most cost effective manner possible
- Comply with the New York State property tax cap
- Provide funding for priority projects and programs while avoiding fiscal stress
- Protect operational and fiscal stability
- Use realistic estimates for variable revenue
- Support capital investment goals
- Provide a balanced budget
- Respond to new unfunded mandates while remaining under the cap

## 2024 BUDGET OVERVIEW

### Key components that influence the tax levy and rate

1. Current years operating results
2. Available revenues
3. Cost of NYS and Federal Programs
4. Cost of programs locally
5. Value of real property
6. Capital Investments

## 2024 BUDGET OVERVIEW

### Tax Levy and Rate

- |                  |              |
|------------------|--------------|
| • Appropriations | \$92,494,994 |
| • Revenue        | \$66,149,373 |
| • County Cost    | \$26,345,621 |
| • Tax Levy       | \$19,264,000 |
| • Tax Rate       | \$8.57       |

## THE BOTTOM LINE

### New revised state Mandates for 2024

Elimination of eFMAP to counties increased weekly Medicaid payments to New York State by over \$1.1 million annually and erased the reconciliation process that confiscated over \$3 million owed to Orleans County

**Health Insurance expense** – one orphan pharmaceutical drug represents nearly 25% or \$2 million in county costs

**Sales Tax** receipts increased as compared to the last three years. The pandemic sales tax growth has been consumed by the new revised state mandates which include:

- + eFMAP elimination from the ACA subsidy
- + Assigned Counsel rate increase to \$158 per hour

**Levy will increase \$607,000 from 2023**

- Tax Rate decrease \$1.30
- Solid Waste fee will increase \$4 to \$220 per year

## MAJOR BUDGET DRIVERS

### Revenues

- Sales Tax
- Tax Base: four towns completed reassessment

### Expenditures

- Medicaid eFMAP eliminated
- Assigned Counsel rates increased more than doubled
- Health Insurance increase lowest in recent years
- Transitioning our workforce out of a 35 hour per week labor force

## Sales Tax Revenues

**2024 year-to-date Sales tax receipts are up 4% compared to the same period in 2023.**

**The rate of increase in sales tax receipts have decreased each quarter in 2023 as compared to 2022.**

**December traditionally represents approximately 15% to 18% of an entire year's sales tax revenue.**

**2024 Sales Tax Projection \$20,843,000 (up \$2 million from 2023 budgeted amount)**

## Sales Tax Revenues

**Internet Sales Tax** – Have allowed us to budget more in sales tax than the tax levy for the second year in a row.

**Financially Distressed Health Facilities** – sales tax diversion allows NYS to take \$190,274 per year has been extended with no guarantee these funds will be dispersed

## INFRASTRUCTURE PROJECTS

### CAPITAL PROJECT SCHEDULE – For 2024

Highway Reconstruction	\$2,150,000	(100% CHIPS)
Culvert and Bridge Repairs Local	\$1,300,000	(Local)
Patch and Seal County Roads	\$1,242,000	(Local)
Bridge: design-3, replace-1	\$1,500,900	(TIP, Bridge NY)
Software & technology	\$ 386,935	(Local)
DPW equipment	\$ 557,199	(CHIPS, SAM)
Buildings & Grounds projects	\$ 265,686	(Local)
Sheriff – vehicles & equipment	\$ 195,493	(Local)
Jail – general repairs	\$ 200,000	(Local)
Emergency Management vehicle	\$ 75,000	(SHSP/EMPG)

**INFRASTRUCTURE INVESTMENT \$7,883,213**

**County cost \$3,525,358**



## 9 FOR 90 MANDATES - 2024

		change to 2023
<b>Medicaid</b>	<b>\$ 8,693,594</b>	<b>17.7%</b>
<b>Public Assistance/ Safety Net</b>	<b>\$ 2,330,569</b>	<b>21.6%</b>
<b>Child Welfare/Protection</b>	<b>\$ 2,193,962</b>	<b>21.5%</b>
<b>Special Education</b>	<b>\$ 990,270</b>	<b>4.5%</b>
<b>Probation</b>	<b>\$ 779,651</b>	<b>9.6%</b>
<b>Indigent Defense</b>	<b>\$ 700,834</b>	<b>36.6%</b>
<b>Mental Health – Law Expense § 730.30</b>	<b>\$ 50,000</b>	<b>(87.5%)</b>
<b>Early Intervention</b>	<b>\$ 276,385</b>	<b>3.2%</b>
<b>Pension</b>	<b>\$ 3,041,025</b>	<b>3.2%</b>
<b>Total 9 for 90</b>	<b>\$19,056,290</b>	<b>12.9%</b>
<b>\$2,178,290 over 2023 budget</b>		



## 9 FOR 90 MANDATES

County Property Tax Levy	\$19,264,000
Total 9 for 90	\$19,056,290

**9 Major Mandates equal to 98.9% of the 2024 county property tax levy**

## CALCULATING THE 2024 PROPERTY TAX CAP

ORLEANS COUNTY ALLOWABLE TAX LEVY	\$ 19,358,733
Real Property Tax Levy for 2023	<del>-\$ 18,657,000</del>
Allowable growth in the Levy	\$ 701,733
Allowable levy % increase	3.76%
Proposed County 2024 Tax Levy	\$ 19,264,000
Proposed Growth in the Levy	\$ 607,000
Proposed levy % increase	3.25%

## COUNTY FUNDING TO OTHER LOCAL MUNICIPALITIES

- County support to assist other municipalities has grown approximately 45.4% since 2007
- Expenditures including sales tax (Community Colleges, Animal Control, V&T Prosecution and AIM Related Payments which ended in 2022)
  - \$4,076,040 in 2022
  - \$3,785,764 in 2023
  - \$3,834,051 in 2024

Equal to \$1.71 per \$1000 of the County Property Tax Rate or 19.90% of 2024 Levy

## BUDGET 2024 vs. 2023

	2024	2023	Difference
Appropriations	92,494,994	93,702,812	(1,207,818)
Revenues	66,149,373	65,226,812	922,561
County Cost	26,345,621	28,476,000	(2,130,379)
LEVY	19,264,000	18,657,000	607,000

# Thank you

*To all the dedicated County Department Heads and their staff for their cooperation and assistance in the development of the 2024 budget*

Chairman Johnson then opened the meeting to Public Comment.

Dick Moy, Clarendon. Mr. Moy asked if there were any fund balance in the 2024 budget. CAO Welch stated yes. There is \$4.5 million is fund balance plus reserves of \$1.9 million and \$452,000 of reserves on infrastructure, \$250,000 in the reserve in the retirement system. As the beginning of 2023 we only had unappropriated fund balance of \$4.8 million. There is \$300,000.00 left. Mr. Moy then asked what would the budget be if you hadn't purchased those two pieces of property. Mr. Welch stated it was the exact same thing. Any cost of that property is not part of the 2024

budget. The payment will be coming out of reserves. There is no budget money in 2024 for anything related to those two pieces of property. It is being paid out of Building and Equipment Reserve, approximately \$1.75 million. Mr. Moy stated that according to the 2020 census our population has gone down 2500 people, yet we keep buying new buildings. People don't see the point. Chairman Johnson, thanked Mr. Moy for his questions. We didn't buy any new buildings; they are all used. One was a necessary purchase for our public safety building that has been deemed an unhealthy situation for our employees, going into the winter. It was a necessary purchase. The other purchase is to move our Treasurer Office Department from a building that has become a money trap for us. We have looked at these purchases as not extravagant, just necessary. It was time that we put some investment into them. Jack, during the school tax collection time, we had several people fall when going into the current treasure office. Ironically, there was a letter to the editor in the HUB about the unsafe approach into that building. Buying the bank will alleviate that issue.

Sean Pogue, Barre. Mr. Pogue asked how much revenue does the county receive from the solar projects in the County. Mr. Welch stated it is under PILOTS, but this is all PILOTS, not just solar. County Treasurer DeFrank stated that in the adopted budget it will be separated out. The amount is a total of \$300,000.00.

Tony Cammarata, Kendall. Mr. Cammarata stated that it is a budget estimate on the PILOT. Do you have more concrete numbers on that. Mrs. DeFrank and County Attorney Bogan stated that as of right now, there are only 4 that we are collecting money on. There is \$25,000 in the solar PILOTS and \$345,647.00 in other PILOTS. It is not predictable when the solar projects go online. Mr. Cammarata then stated that Orleans County is ranked 55<sup>th</sup> in NYS out of 62 Counties. They have mandates just like we do. I am asking the Legislature to go back and cut and slice this budget. This is a tough year. It would be in the best interest of all of us to go back and make cuts to this budget to help the people in this County. This would send a message to the people that you care about them. Jack, with \$2 million in mandates you would have to eliminate operating cost going forward. The question becomes, what non-mandated service would you like to eliminate to reduce or eliminate? Tony, we need to improve the position of being the 57<sup>th</sup> county. All the counties have the same mandates. We need to look at ways to reduce the expenditures to help the people. If there is an opportunity take it, if there is not, explain that to us. Chairman Johnson stated, no one wants to do what is right for the residents of Orleans County more than we do. The cuts would be in Road Patrol and Buildings and Grounds. Everyone pays taxes so they can call 911 to have deputy come to their house and they expect the roads plowed when it snows. These are the options that you are asking that we go back and cut. The tax rate dropped per thousand with the help of our Departments and Treasurer. I commend the Treasurer and CAO for the budget that they have prepared. Legislator Allport state, we are the only County without a large municipality that shares sales tax with the towns. Most counties in the state don't do that. When the Federal Government pushed the Medicare and Medicaid costs down to the state down to the state. The state pushed 25% of that cost down to us, the counties with the understanding is that could push it down to the towns. The Community College cost is covered at the County level. We could push that down to the towns. Like Chairman Johnson said, for three months, the budget officer takes her calls on how to make cuts. Imagine if we pushed all these costs down to the towns, we would be looking good. What would your taxes be? We are not doing what the State does and not pushing the costs to the town. Out of all the states, all but six kept the cost and capped them. The other five states

pushed 1% down to the counties. NYS pushed 25% of these costs to the counties. We constantly talk to Albany saying pay for what you mandate. We, are buffering you the towns from giving the cost to you. Tony, I appreciate your input. In the past I have heard that people from all over the County are all suffering the same or all enrich the same. All I ask is take a look at the budget, which is your responsibility. It is not passed yet. Thank you letting me speak. Chairman Johnson reiterated that we have presented a bare bones budget. Every Legislator has called Jack asking to make cuts. Jack stated, that from the requested budget submitted in September, we have cut \$6,351,941.00 from that budget. I tried for a \$7 million dollar cut, but just can't get there. We can only get to \$6.3.

Sean Pogue asked why the line under General Fund, Assigned Council Family Court increased from \$320,000 in 2023 to \$635,400. Jack stated, that is the \$158 per hour that the state implemented in April of 2023. This raised the rate \$85 an hour. The county has to pay 50% of that increase. If more people need this service, this amount is actually undershot. Sean then questioned the increases in salaries. Jack answered, that is because we are moving from a 35 hour work week to 37.5 hours. That is a 7% increase to staff. There are several departments that have made this move from 35 to 37.5 hours. We can't be adding employees that need a \$60,000 per year health care PPO plan. We are saving that money and get the resource out of the people we have. Lynne and Jack both stated that with the permission of the Union, we are asking increase more department hours.

Jim Pratt, Ridgeway. I commend the diligence of the Legislature and Department Heads. On how hard you worked on this budget. You've done a great job. I'm looking at 2024 being a great job. 2025 is going to be extremely difficult to ask department heads to make even more cuts. In a year from now you will get great credit for the 2024 budget. You are going to have to work much harder for next year's budget. Good luck. Lynne, stated we know we have difficult years ahead of use.

She asked three times, with there being no additional comment, the budget was closed

Chairman Johnson closed the public hearing at 5:18 p.m.