

St. Lawrence County 2018 Adopted Budget Message

Confronting historic financial challenges to the County head on has been a constant topic framing all decisions and setting priorities for the Board of Legislators, myself, and county staff. Since taking office in 2015, measuring this progress has been a shared goal of the Board of Legislators. An environment where there is consideration of every dollar spent the new norm for County Government. I am proud of every member of this organization for working with management, unions, and the Board of Legislators to ensure we are capable of working through these difficult times while remaining mindful of the need for it to be more affordable to live and work in this great County.

This has been an era of extraordinarily close watch over municipal finance by New York State. This began in 2013 with the Tax Levy Limit or commonly referred to Tax Cap, and was reinforced this year with the Shared Services Initiatives which created additional requirements for counties. For St. Lawrence County, this began on a much more micro level. There were two successive audits of the Financial Condition conducted by the New York State Comptroller's Office. In 2013, the first audit was a review of 2011 and 2012; and the second in 2015, was a review of 2014 through September of 2015 were similar in nature and outcome. These audits identified known areas of weakness and indicated a need for the policymakers to commit to

the financial stability of the County in a variety of ways for the future. The Board of Legislators has taken financial stability very seriously and stayed the course to create predictable taxes while working to reduce the cost of local government operations.

The Budget Team convened once again to review and assemble the financial plan for 2018. The Team spent time with each department and in some cases, scheduled additional meetings to take a closer look at the department finances. However, the extraordinary means by which departments came prepared this year was unprecedented. Let me be one of the first to commend their efforts and congratulate them on diligent work for the organization. These efforts provided opportunities for the Budget Team to hold discussions of great importance, like long term planning and financial stability.

Early on in the budget process, the discussion regarding borrowing took place. This is one factor which demonstrates a great deal with regard to financial position of an organization with just one number. A review of cash flow demonstrates how this number can fluctuate and at any given time \$10M can be outstanding from New York State. At the September Finance Committee Meeting, a request of the Board of Legislators to authorize a \$5 Million Dollar Revenue Anticipation Note (RAN)

for 2018 was approved. This is a reduction of \$4.5 million from a year ago. A summary is included below:

YEAR	TOTAL millions
2017	5.0
2016	9.5
2015	10
2014	10
2013	10

Since 2011, there has been an established need to borrow or issue Revenue Anticipation Notes (RANs) to provide adequate cash flow. There will continue to be a need to do so until reserves are reestablished. As we restore our reserves, there is an inverse relationship between the need to borrow and fund balance. It is my expectation that, without unforeseen circumstances, that by 2020, the County could consider concluding borrowing to support operations. Fund balance continues to benefit from conservative spending and careful predictions on anticipated revenue.

One major change in costs for the County are related to the change made with Healthcare administration. Through a partnership with the unions, discussions regarding healthcare began in late 2016 and have continued throughout the year. On April 1, 2017 St. Lawrence County switched Third Party Administrators with the support of union leadership from Resolve to Excellus. There were costs associated with one time buyout with the departure from Resolve. This has provided great temporary relief from the cost of healthcare but we recognize that healthcare is on the rise and will continue to influence the cost of operations as much as salaries. The Healthcare Committee composed of Union Leaders, Legislators, and staff

will continue to meet and work together to manage this valuable benefit in St. Lawrence County. A summary of these costs is included below:

YEAR	HEALTHCARE millions
2018	21.5
2017	24.0*
2016	23.8
2015	23.7
2014	21.1

*2017 Projection

The workforce has remained stable and we are working to address the needs on a departmental basis throughout the year with the assistance of the Vacancy Review Committee. The value of Legislative and Staff input prior to consideration by the full Board of Legislators provides a great opportunity to be creative with how positions are filled. The 2018 Budget abolished ten (10) positions and creates another eight (8) positions; four in each year are less than full time positions (Correction Officers and Landfill Attendants) for a net savings of \$165,960.

In 2017, the existing collective bargaining agreements with Counsel 82, Counsel 82 Supervisors, the Deputy Sheriff's Association, Inc. and the Sheriff's Supervisors will expire. Negotiations will begin shortly and are expected to impact the 2018 Budget. Funds have been targeted in contingency to fulfill the benefits, once negotiated, for these bargaining agreements. The CSEA contracts (8400 and 8427) and Indigent Defenders will remain in place until 2019 and budgeted accordingly. The 2018 Tentative Budget recommends a total of \$567,193, a five percent increase, for partner agencies. These include the Chamber of Commerce, Cornell Cooperative Extension,

Industrial Development Agency, Historical Association, and Soil Water Conservation District. This is indicative of the continued commitment by St. Lawrence County to the value of these services. The designated tourism promotion agent for the County, the Chamber of Commerce, will see a change in their funding mechanism for 2018 and beyond. The County will share a portion of the occupancy tax revenue with the Chamber and review annually for up to three years to ensure the tourism needs of the County are being met.

The importance of addressing capital needs comes at a time where funding a capital reserve is critical. A multiyear facilities and technology plan has been developed to assist in scheduling many of the deferred maintenance needs of the County. The nature of the capital reserve funds is that a plan will be submitted to the Board of Legislators for consideration and approval. The Space Committee and the Audit Committee have been extraordinarily helpful to staff in working to move forward initiatives where it is critical to the infrastructure for county government. There will be additional consideration of departmental moves and renovations that the Space Committee will review in 2018.

The 2018 Adopted Budget comes in under the tax cap for the County with a proposed levy of \$47,599,170, a decrease of \$79,196 from the levy in 2017. Due to a .17% increase in the overall assessed valuation, the True Value Tax Rate is **decreased** from \$ 8.39 to \$8.36 (.36%).

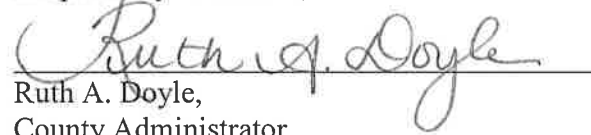
I am pleased to report that all findings in the two recent Audits of the Financial Condition of St. Lawrence County have been or are actively being addressed. This has resulted in the County no longer being designated as Significantly Fiscally Stressed by the New York State Comptroller's Office. These are all indicators of

the demonstrated success of the commitment of the Board of Legislators to improve the overall finances in St. Lawrence County. Actions such as these will continue to lead in a direction of reducing the need to borrow annually, the ability to reduce the cost of operating county government, and toward making it more affordable to live and work.

In conclusion, I wish to thank every employee for their commitment to St. Lawrence County Government and working to continue providing service with the resources provided to them. Also, I would like to specifically thank members of the Budget Team for their dedication to this process and to St. Lawrence County. Those individuals include: Keith Zimmerman, Michael Cunningham, Stephanie Hall, Debra Bridges, Renee Cole, and Richard Cassara.

A special thank you also goes to Deb Bridges, Richard Cassara, Susan Flanagan, Deb Dorsch, Paul Baxter, Kelly Burkum, and Philip Paige for their efforts in the proofing and production of the budget documents. You all made it happen. I am grateful.

Respectfully submitted,



Ruth A. Doyle,
County Administrator

The 2018 Tentative Budget was modified and adopted by Resolution No. 376-2017 by the St. Lawrence County Board of Legislators on Monday, November 6, 2017.