

Public Hearing November 7, 2018

2019 is the year of Infrastructure and long range planning for Genesee County

- Water
- Bridges
- County Jail

First Priority – Balanced Budget

- Compliant with NYS mandated property tax levy cap = \$996,820
- Last 9 years avg. use of fund balance used in County General Fund budget \$2.5 million

Allowable Levy growth = 3.4% over 2018 adopted

- 2019 recommended property tax rate = \$10.04
 - \$0.03 less than 2018

74% of County property tax levy is consumed by 7 major State mandated local County shares of \$22.4 million

- Medicaid is the largest at 32%/\$9.5 million in County share which leverages annually \$95million in federal, State and County dollars – reimbursing for health care/long term care
- Since the hard cap on Medicaid local shares was introduced by NYS you see a leveling off of the % of levy \$ eaten up by this entitlement

Index of poverty – medical need of our impoverished/elderly population

- 22% of County residents are enrolled in some form of Medicaid health care reimbursement
- Note the statistics on the bottom of the slide as to how our residents come to be enrolled in Medicaid

The overall 2019 County Budget grew from the Adopted 2018 County appropriation by 7.87%

The list you see includes the major drivers of the increase in appropriations. In areas like the Sales Tax Distribution, Social Services and Mental Health clinic services – offsetting revenues are 100% covering the change or a substantial portion of same.

The County every year also has our departments and related agencies put together program budgets which put in words what our major goals, objectives and changes are planned for the upcoming fiscal year.

The 4 major program areas are Central Services, Human Services, Public Safety and Public Works.

- This information is posted and available every year under the County Manager's Office – Budget Information
- This portrayal also helps explain where the largest “local revenues” are being absorbed as part of our balanced budget.

Revenue profile for the past 4 years and proposed 2019 estimated revenues shows some of the vagaries of State and federal aid vs. local tax items like Sales, Property, Mortgage and Bed Tax and Departmental Income.

The four major categories of the annual County line item budget are:

- .1 – Personnel
- .2 – Equipment
- .4 – Contractual/Services
- .8 – Fringe Benefits

Our long term debt 3 year profile for principle and interest is modest by local NYS government standards.

- That is likely to change in the next 2 -3 years with the 10 year bridge/road infrastructure CIP needs and the aforementioned \$42 -\$54 million new male/female detainees' County Jail.
- Expected 30-40 year debt packages are the principle reasons for the renegotiation of local 4% County sales tax sharing with the City of Batavia and revenue distribution with the towns and villages so the County can quell the pressure on the property tax levy and dire implications of the Raise the Age 16/17 year old adolescent offenders mandate and anticipated Genesee County expenditures of approximately \$2 million/year by the end of 2020.

Our workforce is the backbone and life force of Genesee County government – we are a people oriented, service business with approximately 542 FTE's which no longer includes the now privatized Nursing Home.

The County has had self-funded employee health care since 1990 and you can see what our annual spending for employee and dependent health care =22% increase over the last 10+ years and there are concerns on the horizon with high cost claims

and Rx costs/utilization within the Genesee County and GCC combined covered lives and dependents plan.

Employee retirement costs both in terms of actual \$ and % cost sharing of FTE's has become less expensive to the employer over the past 6 years. Tier VI participants is a small bright spot in our employee cost profile- in excess of 25% of our County employees are in Tier VI with lifetime employee cost sharing. This obviously also reflects the sale of the County Nursing Home to Premier – 165 less FTE's.

Our major County Budget Revenue sources on the next slide give you some indication of the challenges of developing a \$139 million expenditure plan and the constraints of inelastic revenue sources like State and federal aid and with the Tax Cap Levy restriction – the property tax.

Next Up - 5 year profile summation page and how we are looking into the future.

NYS Comptroller and ICMA financial trend monitoring system have facilitated the County putting together with our departments a look into the future expense wise, revenue wise and possible surplus/deficit wise.

- This 5 year snapshot which is being updated annually is becoming an effective tool for both policy makers and administrators to plan and anticipate problems or opportunities before they are staring us in the face.

As previously mentioned – 4% local County option sales tax revenues is a major source of funds for all 13 towns, 6 villages, the City of Batavia and Genesee County.

Our County presently shares 50% of the approximately \$41 million is sales tax and the future holds changes for the sharing formulas so the county can address its unique obligations to own and maintain a 21st Century County Jail and maintain/replace our 250 local bridges over 5' across the County which only 2 other NYS counties are statutorily required to address as we do – 100% County responsibility.

To stave off more pressure on our property tax levy and the State's onerous property tax levy cap and State Aid reimbursement threats – local sales tax sharing is the most logical revenue resource to adjust the sharing “generosity” without wiping out the 50% non-county shares entirely.

The next slide is a profile in real property taxable valuation courtesy of the County Treasure/Real Property Office. Note the 13 year history, the typical/average residential assessed value and how the % change in County tax bill matches up against cumulative inflation – we haven't kept up – that's not necessarily a bad thing and is something of a small sense of pride as to how close to the vest County government operates and our Legislators scrutinize our annual expenditure plan.

Last page - Our mission statement – first promulgated as part of our first 1990's County comprehensive plan and 10-11 focus group ongoing updating and annual analysis. In 2019, we are looking at a potential overhaul of this now 20 year planning tool and roadmap of our past and present successes, challenges and future vision of who we are and where we want to be. I trust the citizens/taxpayers are ready to engage and be part of our continuing journey into the future.

Thank you and now the floor is yours.