
**BROOME COUNTY LEGISLATURE
REGULAR SESSION
MONDAY, OCTOBER 1, 2001**

The Legislature convened at 4:02 p.m. with a call to order by the Chair, Daniel A. Schofield. The Clerk, Louis P. Augostini, read the fire exit announcement and called the Attendance Roll, Present-19, Absent-0.

The Chair, Mr. Schofield, led the members of the Legislature in the Pledge of Allegiance to the Flag, followed by a prayer offered by Legislator Hudak.

WRITTEN OR ORAL PRESENTATIONS OF THE COUNTY EXECUTIVE:

Chairman Schofield introduced County Executive Jeffrey P. Kraham to present his Recommended 2002 Broome County Operating Budget and Six-Year Capital Improvement Program.

Ladies & Gentlemen of the Legislature:

In accordance with Article VI Section 604 of the Administrative Code, I hereby present the recommended 2002 Broome County Operating Budget and Six-Year Capital Improvement Program for your review and consideration.

It has been 3 short weeks since the tragic national events in New York, Pennsylvania and Washington D.C. During this time we have heard unbelievable stories of heroism. Our nation has pulled together as one; working to put a nation back together and to grieve with those who have lost loved ones.

Many of us here today, whether directly or indirectly, knew someone who was deeply impacted by the events of that day. Our responsibility to these people is to endure and promote the American spirit each day of our lives.

We can indeed learn from those individuals who displayed such magnificent courage just 20 days ago and from those tireless individuals who continue to look for those who are still missing.

Just as our nation has pulled together in the past 3 weeks, I believe we must work together to provide the necessary services to satisfy the needs of our residents. If there is anything that the last few weeks has taught us, it is that only in unity can we build a better and stronger community.

This budget reflects our national tragedy and recognizes the need for flexibility to deal with the changes and potential problems created by our new world.

With that said, I am proud to stand before you today and tell you that I will again be recommending a property tax decrease for Broome County residents. This will be the seventh consecutive year of property tax decline. Seven Consecutive Years! How long is seven years? Just think, the last time Broome County increased property taxes, Bill Clinton was still in his first term as President, Windows 95 was introduced, and the Dow Jones Industrial Average closed above 4000 for the first time. Tiger Woods was still an amateur, and the Atlanta Braves were world champions in baseball. In 1995, Michael Jordan returned to the Chicago Bulls to begin his 2nd three-peat and the Cleveland Browns moved to Baltimore.

The Legislature has been an integral part of our success during this period and I thank them for their continued support and cooperation.

One expense we have managed particularly well is our outstanding debt. General Long-Term debt combined with Capital Projects Fund debt is today, some \$19 million less than it was in 1996. While other local governments and schools have borrowed and spent in good times, we have not. In a recent audit released by the State Comptroller, he warned that New Yorkers face ballooning property tax bills during the current economic downturn because local governments and schools have borrowed and spent in good times. The Comptroller's Finance

Report for 2000 shows that average local government debt has increased by more than 20% over the last 5 years. By comparison, our overall debt has declined by 15% over the same period.

Our challenge over the next few years will be to control capital expenditures and effectively manage operating expenses despite little or no growth in sales tax revenues and increasing tax pressure from state mandates. By doing this, I am confident that we will control future property tax increases. This is fundamental to the success of our community.

Health Insurance

One area of expense growth, which is of great concern to me, is health insurance. Recent articles have alluded to double-digit increases in health insurance premiums. These increases by health insurers are expected to average more than 12% nationally.

For 2002, I am recommending a Health Insurance Budget which is just 8% above 2001 Budget amounts. This increase is less than the projected national average because of savings expected due to the changes in our 3rd party administrator. Without this change, my recommended appropriation for 2002 would be \$1.3 million greater.

The item of greatest increase will be prescription drugs. I am recommending a budget that calls for a 20% increase in this expense consistent with nationwide trends. The challenge ahead is to work together to reduce our overall prescription costs.

Tobacco Securitization

Let me take a moment to comment on our Tobacco Securitization efforts. After a great deal of collaborative research and discussion this year, we decided to securitize our asset with a lump sum payment. The timing of this decision could not have been better as Broome County received the highest unmatched payment yield to date.

This payment will play an integral role, as the majority of the payment will be used to pay off existing county debt. For 2002, the expected residual payment from tobacco securitization of \$266,084 has been budgeted within the Finance Department. While we would have received \$4 million dollars, we will now be receiving \$6.2 million. Of this total, \$2 million will be rolled into our county surplus.

Surplus

The State Comptroller recommends an unappropriated surplus of at least 5%. I am proposing that the County appropriate all but \$2.0 million dollars from the County's General Fund. The \$2.0 million dollars, which would remain in surplus, represents less than 1.5% of General Fund expenditures. This is a good first step and it is the first time that we have been able to do this. It is fiscally responsible to leave some funds for surplus. The uncertainty associated with sales tax revenue growth, projected Medicaid and health insurance expenses as well as state aid reimbursement requires that we take a more conservative approach to budgeting available surplus.

By doing this, we will essentially be creating a tax stabilization account meant to offset uncertainties with sales tax, state aid and other limited state funding.

Hotel/Motel Surcharge

I am recommending that the hotel/motel tax be increased from the current 3% rate to 5%. This rate falls in line with other upstate cities and communities. The additional \$466,000 generated will provide seed money for the expansion of our corporate park system; will help us expand upon business developments in conjunction with Binghamton University's Bio-Technology Initiatives; aid in the establishment of a Foreign Trade Zone and help stabilize the availability of critical air service for our business community. These initiatives will benefit the hotel/motel industry by significantly increasing the number of business visitors to our community.

Transit

This Budget challenges our Transit administrators and employees to develop a plan that will simplify our fare structure including the elimination of zone charges and to more evenly balance the cost of service between the users and the taxpayers.

Corrections Staffing

To conform within Civil Service practices, I am recommending within the Corrections Division of the Sheriff's Department, the conversion of all temporary help special deputy positions to regular full-time positions.

This conversion of 15 full-time special deputy positions to regular full-time line will increase county cost by \$105,000 since the hourly rate for the regular full-time correction officers is slightly higher than the rate paid to special deputies.

Position Changes

A major change in staffing is recommended in Security. This Legislature was responsible for the creation of the most successful welfare fraud detection unit in the State. I am proposing to further that effort with the creation of a Front End Security Review Team. This team would comprise (3) FT Security Service Investigators, (1) FT Sr. Social Services Examiner and (1) FT Keyboard Specialist. The purpose of this team would be to provide intensive front-end financial review for those who apply or reapply for Welfare benefits.

This review will in no way look to deny benefits to those who are rightfully entitled to Welfare assistance. Our intent is to actively review those applicants where fraud is suspected. By doing this we will send a clear message that we will search out those individuals that attempt to take advantage of a system aimed at helping those who cannot help themselves.

This team will enhance our current efforts in fraud detection by catching fraud before it starts. Examples of front-end activity would include cross-referencing police dockets for unreported income and recovering uncollected civil judgements. The total cost of this team would be charged back to Social Services and it is expected that this team will more than pay for itself through fraud recoveries and reductions in welfare payments by identifying unreported income.

JD/PINS Services

I am recommending the addition of (2) Probation Officers to the Persons In Need of Supervision, or PINS Unit. The need for additional officers is the result of state law increasing PINS eligibility age from 16 to 18, which will take effect on November 1, 2001. PINS are state offenders (truants, runaways, etc.) that require supervision in order to prevent their entry into larger scale delinquent or criminal activities. Probation serves as the intake for Family Court on these matters. The current staff of the PINS Unit is (1) Probation Supervisor, (1) Sr. Probation Supervisor, (7) Probation Officers and (1) Keyboard Specialist. The addition of (2) Probation Officers will assist in working with the expected increase of cases and investigations associated with the new law. It is estimated that there could be as much as a 33% increase in caseload from the present caseload of 400.

I would like to recognize that Broome County has taken a proactive approach to dealing with this change. Probation, along with DSS, Mental Health, Youth Bureau, County Attorney, Sheriff and Family Court have formed a PINS Age Expansion Task Force under the direction of Deputy County Executive Thomas Hoke, to explore and prepare for the myriad of issues created by this change in law.

Time Limit on Welfare Benefits

TANF to Safety Net

Federal Legislation passed in 1996, limited Federal Family Assistance Welfare payments (known as TANF) to a 60-month period. The TANF Family Assistance 60-month time limit began on December 2, 1996, thus recipients who have been continuously on assistance since December 2, 1996, will be ineligible for Family Assistance beginning December 1, 2001. Except

for certain hardship exceptions, time limited temporary assistance clients will only be eligible for services under New York's Safety Net Program, where 100 percent of the costs are paid by the State and counties, with each contributing 50 percent of the costs.

Broome County residents must pay for 50% of this increase. Please keep in mind that the 60-month limit is a lifetime allowance. Therefore, any individuals who reach the 60-month limit can never reapply for TANF benefits. These individuals will automatically become eligible for Safety Net benefits, where County cost is double what they are on TANF (50% share compared to 25% share).

Medicaid

For 2002, I am proposing a total Medicaid appropriation at \$25,983,145, an increase of \$2,010,763 when compared with the 2001 Budget.

The local share of Medicaid continues to dominate our budget. The proposed State Budget expands Medicaid eligibility to individuals with incomes up to 250 percent of the federal poverty level for certain treatments effective October 1, 2001, and for workers with disabilities whose continued Medicaid coverage would make it more financially feasible to enter the workforce. Both of these initiatives are laudable, but they include a local share that is equal to 50 percent of the non-federal share.

Another factor contributing to Medicaid growth is Family Health Plus. New York State has estimated that Family Health Plus participation within Broome County will increase from 374 in 2001 to 895 in 2002. This number includes both families with children and those couples who are childless. Our projected increase is consistent with the statewide projected increase.

Broome County has been a leader in New York State in controlling Medicaid expenses. This success is demonstrated through the Broome County Medical Assistance Xtra or the MAX program. MAX is a Medicaid Managed Care program that contracts with more than 150 local physicians and dentists to provide high quality and cost-controlled access to medical and dental services to Broome Medicaid recipients. Currently, more than 50% of the total Broome Medicaid Managed Care population is enrolled in MAX and year-after-year the program gains high-client approval.

For the 5-year period ending in 1999, Broome County experienced a 4% growth in total Medicaid expense. This compares with a 16% growth for Chemung County during the same period, a 21% growth in Tioga County, a 20% growth in Oneida County, a 6% growth in Chenango County and a 12% growth in Onondaga County.

State Aid Issues Related to DSS

As of this date, because of the delay in adopting the State Budget, there are still a number of unanswered questions related to State reimbursement of Social Services expenses. We have prepared a budget for 2002 expecting a continuation of current policy and practice. However, should the State not pass a supplemental budget which restores State aid to prior levels, Broome County could lose as much as \$1,300,000 in reimbursement for Social Services programs and administration costs. I will keep you informed on State action regarding this and all other late budget issues.

Capital Projects

BCC

I am recommending that \$403,000 be budgeted for roof replacements at BCC. Some of these roofs were initially installed in 1975. At the present time, plastic sheets and hoses protect offices in some of the buildings on campus. Broome County will receive 50% State aid for this project.

Central Foods

I am recommending (2) capital projects for our Central Foods operations. The first is replacement of a 1991 van with a van equipped with a refrigeration unit. The 1991 van is at the end of its useful life.

The second capital project recommended for Central Foods is a tray packing system at the Public Safety Facility. This system would cover food trays with a heat sealed film. Current tray covers cost \$50 each and do not withstand the use they receive at the Public Safety Facility. We typically purchase up to 500 tray covers each year. We expect this system to pay for itself in 3 years.

Emergency Services

I am also recommending (2) capital projects for our Emergency Services Operation. First is the replacement of the 1983 Dodge Van used as a communication/command post center with a state-of-the-art mobile command post which would combined control, coordination and communication for large-scale incidents. The cost of the van is \$112,000.

I am also recommending a \$10,000 capital project to replace the 10 foot garage doors at the Emergency Services Center with 14 foot doors. These doors would be for both front and back. The projected cost is \$10,000.

Information Technology

I am recommending a \$550,000 capital project for Information Technology to expand network capabilities, continue replacement of outdated pc's, and replace necessary mainframe equipment and systems.

Library

My recommendation includes \$125,000 for a Dynix upgrade at the County Library. The Dynix is the heart of the Library's computer system. This upgrade will provide for movement from text-only to Web based functions. This upgrade is needed to fully implement services to the public. The original system was purchased in 1985. This upgrade will cost \$125,000.

Solid Waste Management

\$3,559,600 is budgeted to design and partially close remaining Section II and IIIA of the landfill per Part 360 regulations to conform with an order by NYSDEC and FAA. This project will be bonded and costs spread over a 10-year period.

Conclusion

Broome County faces unique challenges as the regional metropolitan government providing the greatest level of core services in health care, criminal justice, environmental and transportation services. All county departments are faced with challenging financial conditions due to limited revenue growth combined with increasing operating costs. We face increasing responsibilities, particularly in the areas of criminal justice, human services, transportation, and the environment. Given the realities of increased demand for services and decreasing revenue, I want to give credit to county department directors and staff for their hard work.

Oliver Wendall Holmes once wrote, "I find the greatest thing in the world is not so much where we stand, as in what direction we are moving."

Through the continued efforts of our dedicated employees, talented department managers and strong legislators, Broome County enters 2002 on sound financial footing with a bright future.

I look forward to working with the legislature to adopt a 2002 Budget that recognizes the needs of this vital region.

Thank you,
JEFFREY P. KRAHAM
County Executive

Mr. Shafer made a motion to adjourn, seconded by Mr. Howard. **Motion to adjourn carried.** The meeting was adjourned at 4:23 p.m.

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