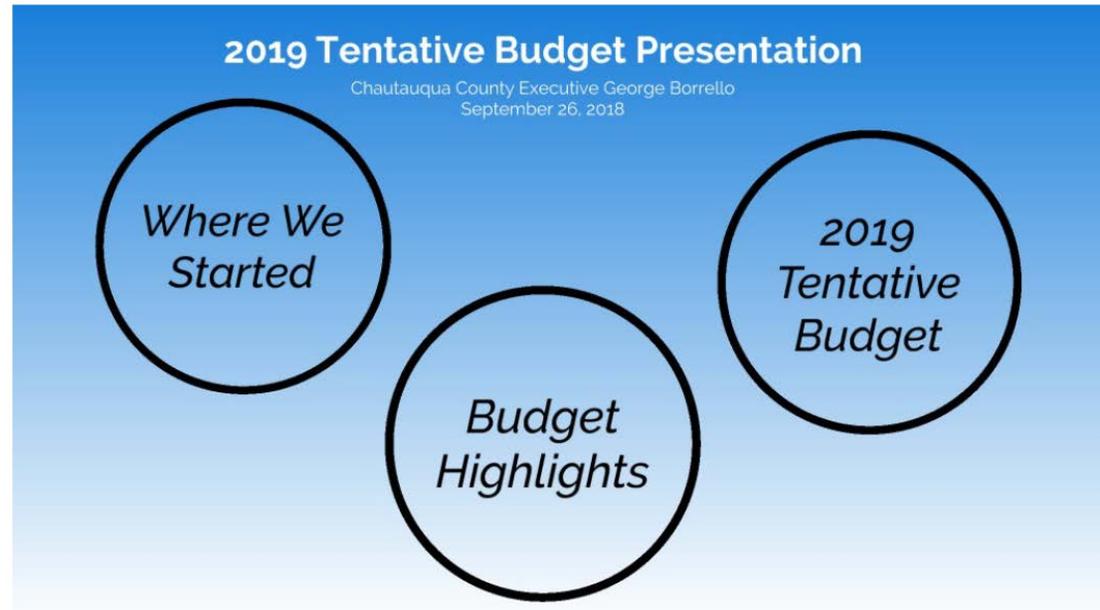


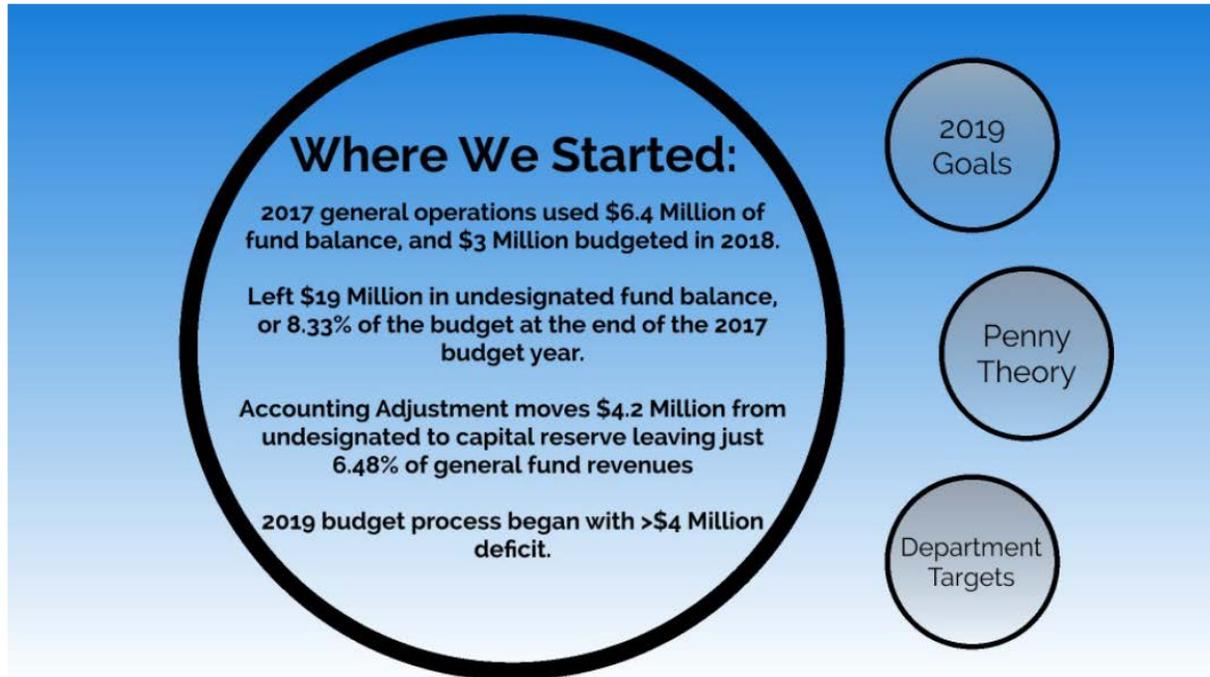
2019 Tentative Budget Presentation

1. Intro



- It's my pleasure to be here tonight to present my first tentative budget.
- Thank you to the budget team: Finance Director Kitty Crow, Budget Director Kathleen Dennison, Principal Account Clerk Jenelle Hansen and the rest of their team.
- After eight years as a County Legislator, I was certainly very familiar and involved with the budget process. But as the county executive it was a whole new challenge.

2. Challenges



- This Legislature and my predecessor have done a great job holding the line on taxes. But due to many circumstances out of our control, we have had to use the undesignated fund balance - our savings account - to balance the budget.
- The 2017 adopted budget used \$6.4 million from the undesignated fund balance. The 2018 budget will use more than \$3 million from the fund balance.
- Left \$19 million in that fund balance, or 8.33% of the revenues. A comfortable and responsible reserve should fall between 5 and 15 %.

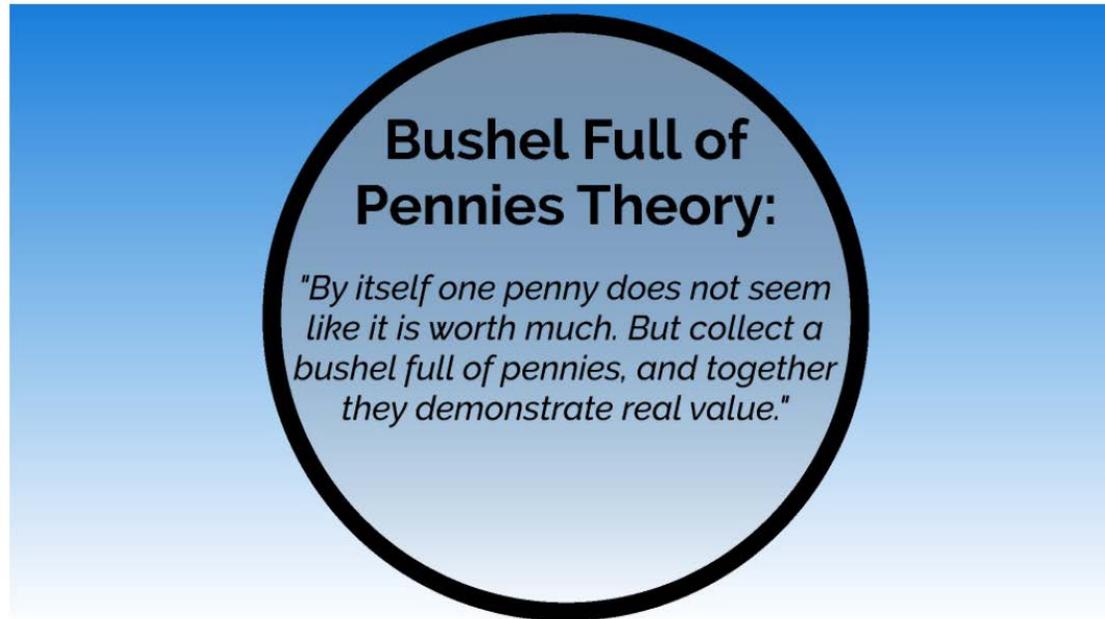
- We had to make an accounting adjustment earlier this year that moved \$4.2 million from undesignated to capital reserve, which left just 6.48% in that undesignated fund balance.
- We started out the budget this year with a more than \$4 million budget deficit for the 2019 budget. Another very significant hurdle to overcome in balancing our tentative budget.

1. 2019 Goals



- When we started this budget process, I asked our budget team that we deliver a structurally balanced budget that covers recurring expenses with recurring revenue, had no Property Tax Rate Increase, and no reduction in the delivery of services.

4. Penny Theory



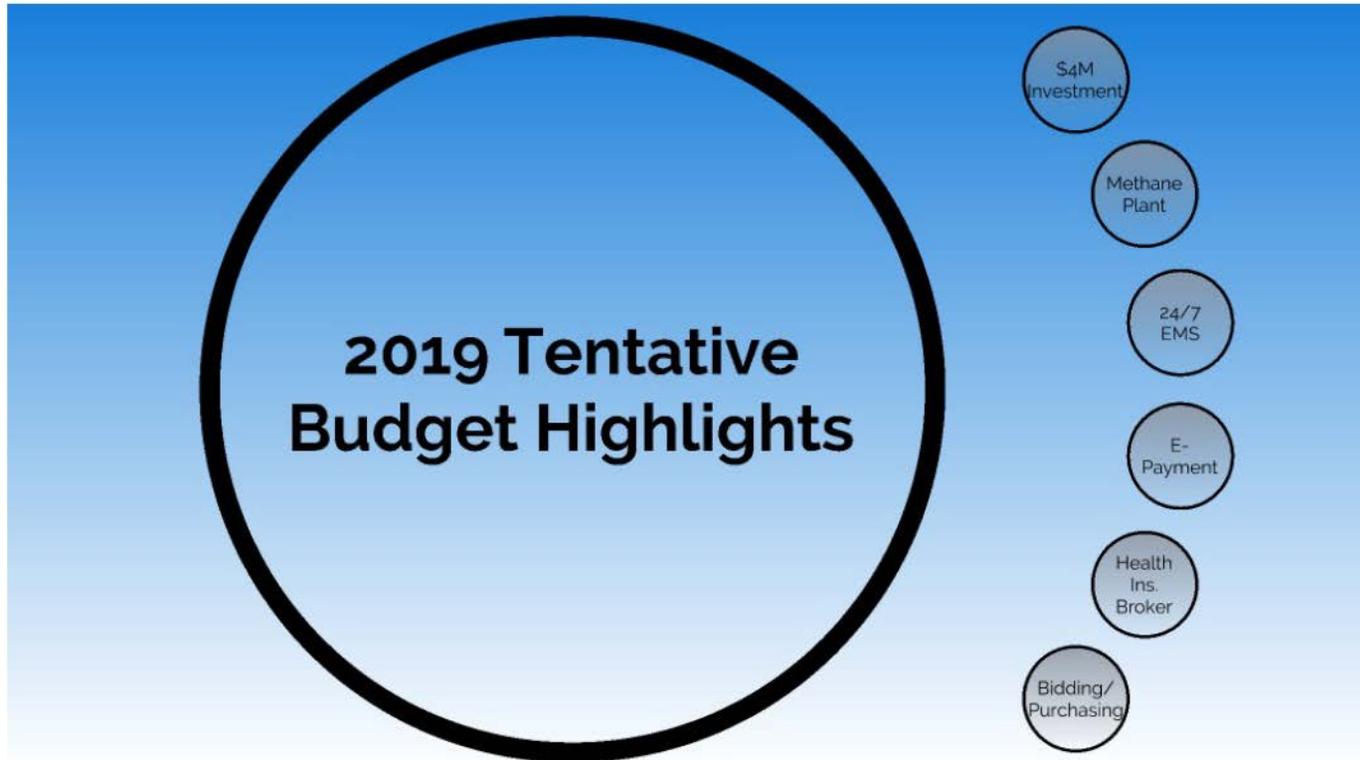
- Bushel full of pennies theory.
- I challenged each department to bring pennies for our bushel.
- Thousands of line items in this budget with opportunities to bring several small savings that would add up to help close our budget gap.

5. Department Targets

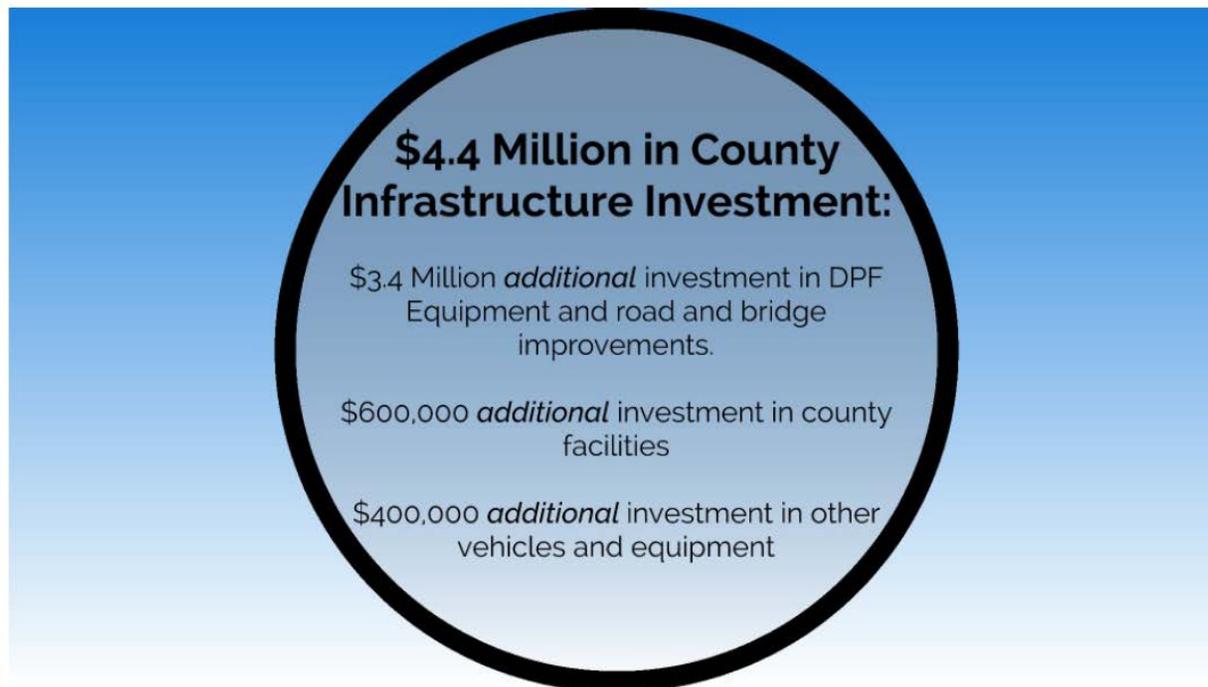


- We gave each department a target to meet. I'm proud to say almost every department met or exceeded its target.
- Some changes were small- The Human Resources Department made badge changes to reduce frequent re-printing costs. Thank you Jessica Wisniewski and her team for this innovative change.
- Some changes were larger- As I will explain later, we are making major changes to the landfill methane energy plant, yielding larger revenue for the county. Thank you to Pantelis Panteli for spearheading the project, with the assistance of Legislators Chuck Nazzaro, Pierre Chagnon and John Hemmer.
- Many thanks to all who stepped up and met the challenge to help fill our bushel.

6. Budget Highlights



7. \$4M Investment



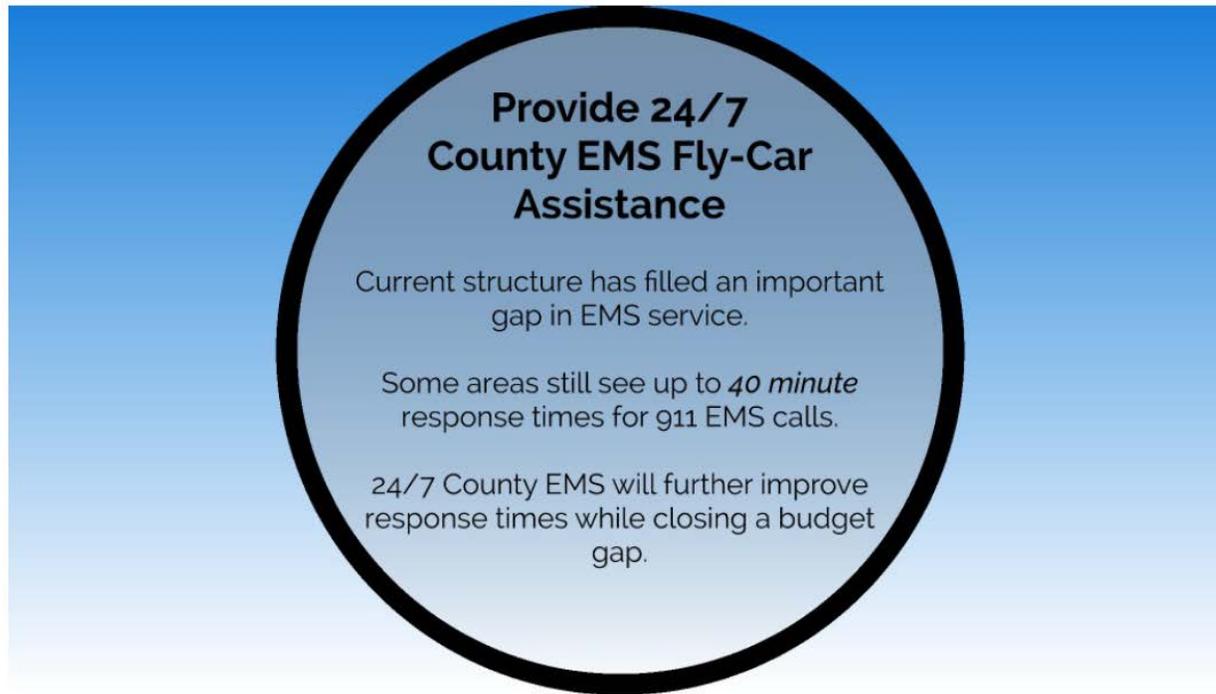
- As I mentioned earlier, we discovered that we had to reallocate about \$4 million from the undesignated fund balance over to the capital reserve. While this certainly impacted the fund balance, it also increased our reserve for capital projects. I consider this an opportunity to beef up our capital projects and invest in infrastructure more than we have in years past.
- \$3.4 million additional investment in Department of Public Facilities Equipment and road and bridge improvements.
- \$600,000 additional investment in county facilities.
- \$400,000 additional investment in other vehicles and equipment.

8. Methane Plant



- 2017 Net Operating Loss of \$139,089.
- This year the plant will lose about \$200,000.
- Shutting down the methane electric plant at the landfill and selling the methane gas as renewable natural gas. We bid out the RNG business.
- Generate more than \$1 million profit with no investment in infrastructure.

9. 24/7 EMS



- Something that I have said since my first year as a County Legislator is, “What do people really expect for their tax dollars?” It comes down to three basic things. They would like their roads and bridges maintained, the streets plowed, and when they dial 911 they want someone to show up.
- The current County fly-car structure has filled an important gap in EMS service throughout the county. However, some areas still see up to 40 minute response times for 911 EMS calls.
- By adding an ambulance and going to a 24/7 service, we can reduce those wait times while also allowing us to bill for Medicaid transports.
- We are also going to use our EMTs to do in-home visits for “frequent flyers” to try to reduce emergency calls. Which will provide revenue, while reducing the strain on our emergency services throughout the county.

- Thank you to John Griffith and Christine Schuyler.

10. E-Payment



- Standard business practice which has been underutilized in County Government.
- We are making it mandatory for vendors to accept electronic payments.
- We can achieve additional savings for the county by corporate credit card cash rebates.

11. Health Insurance



- Employee health insurance costs account for approximately 8% of the total county budget.
- Significant savings achieved by aggressively re-looking and re-bidding our health insurance and insurance broker.

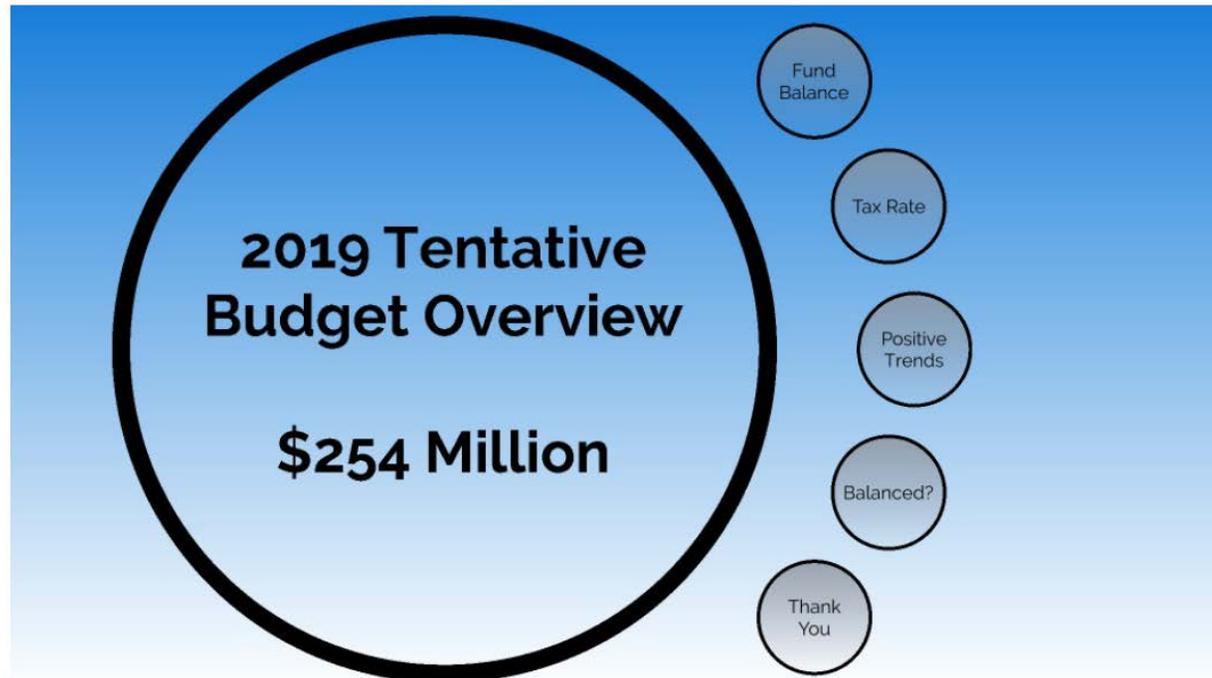
12. Bidding/Purchasing



- We are making changes to our bidding process to improve results.
- We are requiring that products and services be bid out more frequently to get better pricing and reducing contract extensions to ensure we are getting the best possible deal.
 - I'm challenging our purchasing department and our legal team to look for ways to apply common sense to the archaic state-bid process, which often has us paying too much for products that are on the state bid.
 - This also includes supporting local vendors wherever possible.
- This will include separating items on bids to allow local vendors to compete for business that is often lumped in with proprietary products, which often locks out local suppliers.

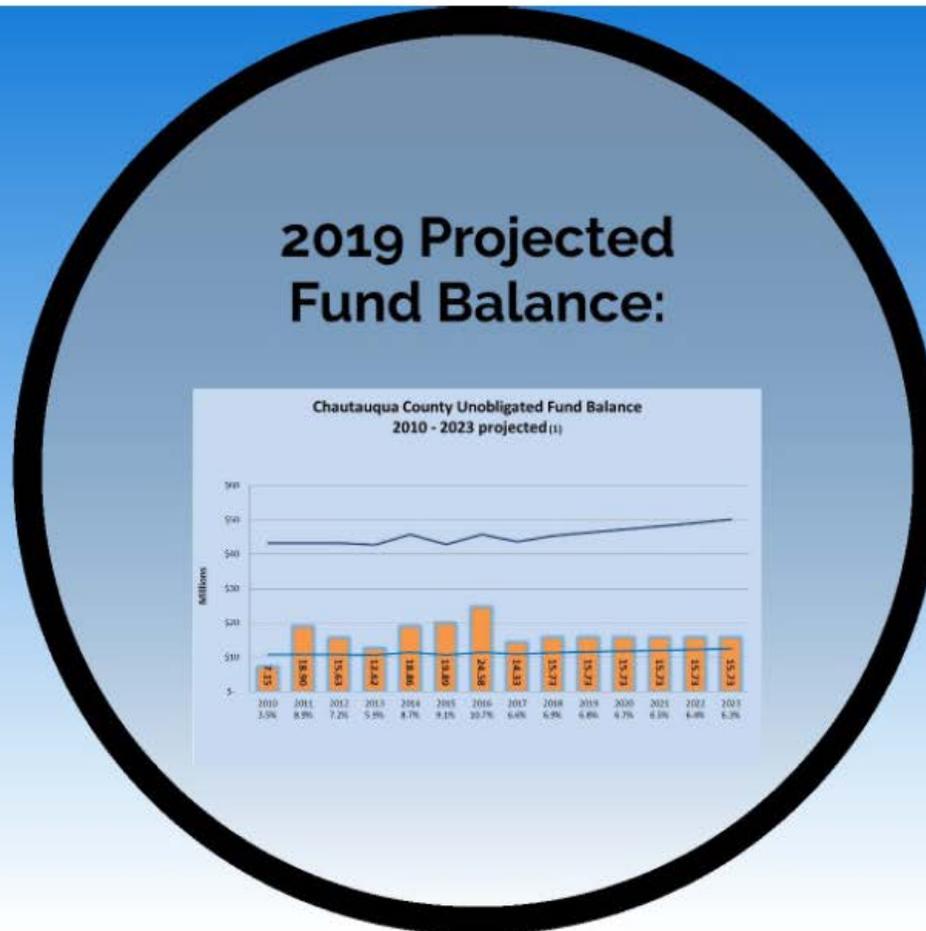
- We have instituted a policy of allowing the local bidder to match the lowest bid provided that their initial bid is within 10% of the lowest responsible bid.
- “County government should first support the local businesses that support county government operations with their tax dollars.”

13. Tentative Budget Overview



- a. This 2019 Budget totals over \$254 million while holding total spending increases to just over \$200,000, or less than 0.1%.

14. Fund Balance



- o The 2019 budget, if adopted, will use no unassigned general fund balance for the first time in at least 10 years. As you can see in this chart, assuming no increase or use of fund balance going forward, we will remain barely above the minimum recommended amount per the financial policy adopted by the legislature, and well below the maximum amount (darker blue line).

- As our bond counsel has told us, having a structurally balanced budget is good for the County's bond rating, which means we will pay less interest when we borrow money for projects.
- It also means we can maintain a healthy fund balance for those unexpected circumstances and emergencies.
- A balanced budget signifies that we are able to live within our means without a burdensome tax increase lurking year after year.

15. Tax Rate



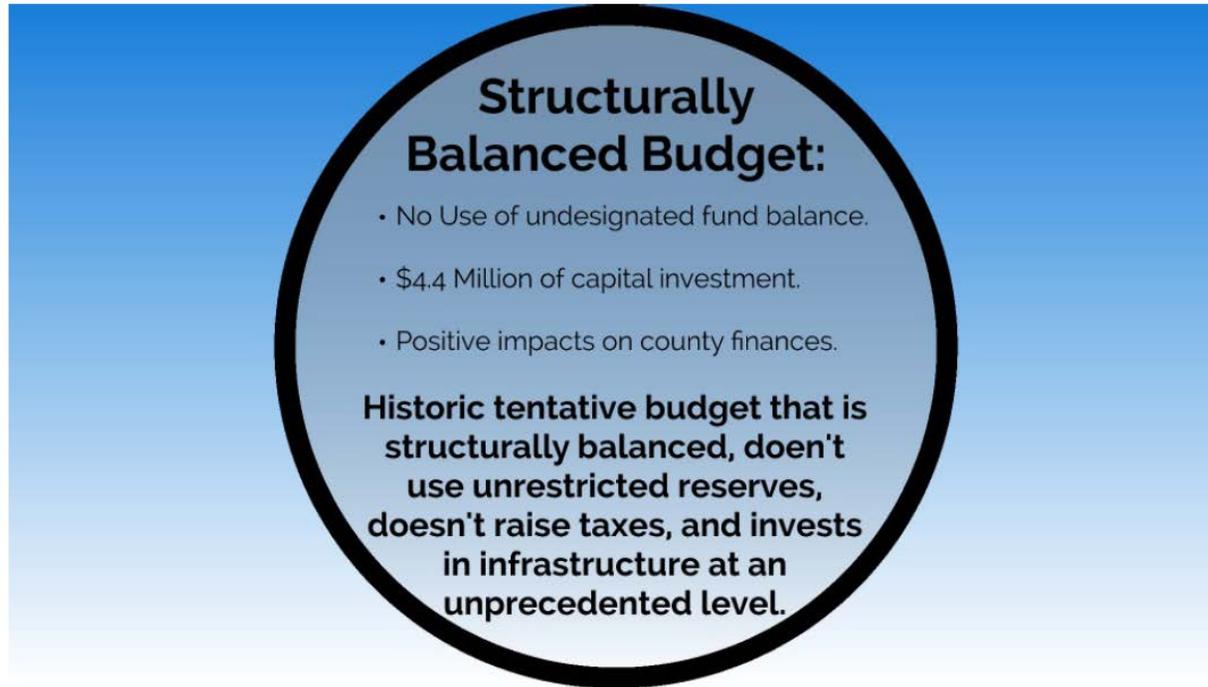
- In addition to achieving a structurally balanced budget, with no use of undesignated reserves, this tentative budget will hold the line on sales and property tax rates with no increases.
- Together with the fact that we have not used any one-shot revenue items in this budget, this is a major achievement we have not seen in many years.

16. Positive Trends



- These positive developments in our county budget would not be possible without the significant economic growth we have seen county-wide along with important moves that have been made in the past several years by this Legislature and my predecessors.
- Sales tax revenues, mortgage tax revenues, occupancy tax revenues, and property values are all seeing strong, steady growth.

17. Balanced.



- My tentative 2019 budget is a structurally balanced budget, where recurring revenue covers recurring operating expenses. There is no use of undesignated fund balance.
- On top of the normal investment in infrastructure, there is a \$4.4 million one-year additional investment in our county infrastructure.
- This budget will have many positive impacts on county finances by following our County Legislature-adopted financial management policy of having recurring debt covered by recurring revenue.
- We have an opportunity to pass a historic county budget which is structurally balanced, uses no unrestricted reserves, holds the line on taxes, and invests in county infrastructure at unprecedented level - four items I believe have never been proposed and achieved together within the same budget year.

- 18 Thank You



Courtesy Dunkirk Observer

- I am proud of the hard work that was put into developing this responsible budget. Everyone stepped up. We now hand this over to Legislature for all your due diligence. I look forward to working with all of you to pass what could potentially be a historic county budget.