

2012 County Legislature Budget

One of the most important jobs elected officials have at all levels is the construction of, and presentation of a budget. Despite this bedrock obligation, the elected leaders of our Federal Government have failed to do this for the people of the United States for the last two years. This failure should be a national outrage and a disgrace for those charged with this obligation, but sadly, it isn't.

Second only to the failure to develop a budget, is creating one that does not address the major problems, like Medicaid, and puts the burden of collecting the dollars needed to run these broken programs on the backs of some other subordinate government and claims that 'work' as sound budgeting. This year, in addition to doing just that, the State leaders in Albany have imposed their "Tax Cap" of 2% while at the same time demanding over 6% more from our local property tax dollars just so they would not have to tax people for the money they wanted. Instead, they made counties raise taxes and send their local money to Albany so Albany could spend even more for Medicaid and other pet projects for their special interest groups.

Unfortunately, this conduct on the part of the State must have an infectious component at our local legislative level. The budget the County Legislature created makes a mockery of our fiscal management policy by failing to address problems, over inflating revenue, under projecting expenses, refusing to pay past due obligations, and eliminating the funds held for unanticipated fiscal emergencies. These are the decisions that were recently made and approved by the majority of the Legislature when amending my Tentative Budget, and best summarized by Legislator Barmore, "There's absolutely no way that we could get under this tax cap without a bunch of smoke and mirrors... Basically, we've performed a major sleight of hand, but we have come in under the tax cap - which to some legislators was the most important thing to accomplish no matter how it happened. I am glad we came in under the tax cap. But I cannot support this budget as it's amended because I think it's totally irresponsible."

I agree with Legislator Barmore. Certainly I would have preferred not to have budgeted for what we know right now is the cost of delivering the Social Services obligations demanded by the State that have been consistently increasing, and already year to date have exceeded our projections for this year, much less next. Certainly, I would have preferred not to budget conservatively in the projection of sales tax revenue since economic indicators are that we will be fortunate to escape a return to recession, and instead have projected growth in collections. Certainly, I would prefer to not be required to budget for contingencies and fiscal emergencies. Certainly, I would rather put off paying bills until tomorrow, tomorrow always tomorrow.

Unfortunately, I did not have the luxury to make such decisions; I had to budget conservatively, accurately, and pay our bills as they are due, using some savings account dollars while guarding the rest. The result of this effort was the budget I submitted with a clearly described increase in our Tax Rate to a level just 5 cents higher than 2005, the

year before I took office 7 years ago, from \$9.98 then to \$10.03 per thousand in 2012. The proposed 12.67% tax rate increase in my budget was created by my commitment to reducing the rate 5 years in a row for the taxpayers when I could, while Albany kept running up the bills for us to pay them to allow them to balance their budget. My mistake, according to elected officials from other counties was to fight to reduce the property tax rate 5 of the last 7 years, instead of a slow and steady increase that goes unnoticed year to year like the Federal government and Albany.

I watched the Legislature debate and analyze my tentative budget at the Legislature Committees, where those who participated tried mightily to find areas to cut deeper than I did across our operations. My observation was that they discovered that all of the cuts that could be made had been made other than a few proposals to cut their salaries, and the size of their office that would have reduced costs by less than \$100,000.00 on a \$235 million budget. At the conclusion of the 4 days they spent in their line by line review, I was satisfied that while some changes had been suggested the vast majority of my tentative budget and the future of our County remained intact.

The night of the full Legislature my optimism faded, as the overriding, and consistently repeated theme on every issue discussed was "would this get us closer to the 2% cap?" The analysis was not what is best for the County in the short or long term; they only focused on the State imposed "Tax Cap" so they could avoid voting to exceed the cap. The result?

1. Cutting \$200,000 from the Social Services account that pays for placement of children in long term treatment facilities despite the fact that the amount budgeted was the 6 year average expense and our costs are going up not down.
2. Eliminating the \$300,000 in the only contingency account for our \$235 million operation. Now we have zero.
3. Spending another \$400,000 of the money set aside for our obligations to our employees after retirement.
4. Eliminating the contribution to the County Home of \$500,630, that enabled the County to receive a matching \$500,630 from the State to offset the expected \$ 3.3 million loss in 2012.
5. Sales Tax revenue projection increased by \$940,000 despite the NYS Comptroller's report of a statewide reduction in Sales Tax receipts.
6. Using \$1,149,674 of savings for Capital expenses in the general budget.
7. Not paying the final payment for the debt to the "M" fund of \$456,613, pushing it into 2013.
8. Using \$1,480,681 from our landfill savings.

The Legislature was successful in creating an appearance of a budget that comes just \$5,000.00 under the "Cap" that raises the property tax rate by 3.61%. However, the fact is that this just compounds our problems by increasing the deficit for the year 2013 to over \$14 Million.

In any normal year, I would be inclined to return the County budget to one that is based in fact, not hope; projections of expenses based on historical analysis, not a guess; payment of our expenses when due, not put off until tomorrow; and generally handle this budget just like people do for their businesses and their homes.

Unfortunately this is not a normal year, due to the State imposed "Tax Cap," the Legislature's single-minded focus to make changes just to "get under the cap" and their unwillingness to vote to override the cap.

Despite the fact that I think the budget passed by the Legislature does more harm to Chautauqua County than it helps the County in the long term, I will not be implementing any line item vetoes to the Legislature's budget. However, since the budget is not balanced, not based on realistic projections of expenses or revenues, and sets up the taxpayers of Chautauqua County for a property tax increase of over 20% in 2013 to cover the \$14 million deficit created, I will be expecting the Legislature to support me in passing resolutions calling for Albany to:

1. Pay their own bills for the costs of Medicaid. It is their program not ours.
2. Pass a State Law making it illegal for any State Legislation to be approved ever again that sends Counties the cost for a State program.
3. Pass a State Law ending the requirement for Counties to beg their State leaders for a local sales tax rate of more than 7% up to 8.75%.
4. If the State representatives do not implement these changes then we will end our payment to Albany for their Medicaid program in the amount of \$600,000.00 every Tuesday, until these changes are made.

While I do not agree with the Legislature's budget, I look forward to the Legislature's unanimous support of the initiatives necessary to correct the problems.