

**MANAGEMENT AND BUDGET COMMITTEE
THURSDAY, May 9, 2013 9:00AM**

**Committee Members: Jonathan Rouis, Chair, Cindy Kurpil Gieger, Vice Chair,
Kitty Vetter, Cora Edwards, Gene Benson**

AGENDA

PRESENTATIONS: NONE

DISCUSSIONS: None

RESOLUTIONS

AUDIT - None

COUNTY TREASURER –None

GRANTS- None

MANAGEMENT AND BUDGET –

- 1. To Modify the 2013 County Budget.**
- 2. To adopt a Fund Balance Policy.**

MANAGEMENT INFORMATION SYSTEMS - None

PUBLIC COMMENT

**COMBINED: LEGISLATIVE MEMORANDUM,
CERTIFICATE OF AVAILABILITY OF FUNDS
AND RESOLUTION COVER MEMO**

To: Sullivan County Legislature

Fr: Joshua Potosek, Acting County Manager

Re: Request for Consideration of a Resolution: 2013 Budget Modifications

Date: 5/2/13

Purpose of Resolution: [Provide a detailed statement of what the Resolution will accomplish, as well as a justification for approval by the Sullivan County Legislature.]

To modify the 2013 County Budget

Is subject of Resolution mandated? Explain:

No

Does Resolution require expenditure of funds? Yes ___ No

If "Yes, provide the following information:

Amount to be authorized by Resolution: \$ _____

Are funds already budgeted? Yes ___ No ___

If "Yes" specify appropriation code(s): _____

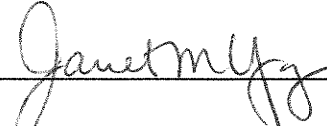
If "No", specify proposed source of funds: _____

Estimated Cost Breakdown by Source:

County \$ _____ Grant(s) \$ _____

State \$ _____ Other \$ _____

Federal Government \$ _____ (Specify) _____

Verified by Budget Office: 

Does Resolution request Authority to Enter into a Contract? Yes ___ No

If "Yes", provide information requested on Pages 2 and 3.

Specify Compliance with Procurement Procedures (Bid, Request for Proposal, Quote, etc.)

N/A / kf

Person(s) responsible for monitoring contract (Title): _____

Pre-Legislative Approvals:

- A. Director of Purchasing: Kathy Jones Date 5/3/13
- B. Management and Budget: Jan Myung Date 5/3/13
- C. Law Department: _____ Date _____
- D. County Manager: John Potard Date 5/3/13
- E. Other as Required: _____ Date _____

Vetted in _____ Committee on _____

**RESOLUTION NO. INTRODUCED BY MANAGEMENT AND BUDGET
COMMITTEE TO MODIFY THE 2013 COUNTY BUDGET**

WHEREAS, the County of Sullivan 2013 Budget requires modification,

NOW, THEREFORE, BE IT RESOLVED, that the attached budgetary transfers be authorized.

Moved by:

Seconded by:

May 2013
 Modifications to the 2013 Sullivan County Budget

Account Code	Account Description	Revenue		Appropriation	
		Increase	Decrease	Increase	Decrease
A-1010-41-4109	AUTO/TRAVEL CO FLEET CHARGEBACK			341	
A-1010-42-4205	OFFICE PRINTING				341
A-1165-47-4724	DEPT DRUG FORFEITURE PROCEEDS NYS			13,000	
A-1185-45-4501	SPEC DEPT SUPPLY SPEC DEPT SUPPLY MISC/OTHER				120
A-1185-45-4549	SPEC DEPT SUPPLY SAFETY			120	
A-1620-19-44-4401	UTILITY ELECTRIC			750	
A-1620-19-44-4407	UTILITY UTILITY OTHER			750	
A-1620-19-45-4505	SPEC DEPT SUPPLY BLDG/PROP MAINTENANCE			45	
A-1620-19-45-4541	SPEC DEPT SUPPLY TOOLS			150	
A-1620-19-47-4717	DEPT BLDG/PROP REPAIRS				195
A-1620-21-47-4701	DEPT RENTALS			200	
A-1620-21-47-4717	DEPT BLDG/PROP REPAIRS				200
A-1620-22-45-4501	SPEC DEPT SUPPLY SPEC DEPT SUPPLY MISC/OTHER			25	
A-1620-22-47-4717	DEPT BLDG/PROP REPAIRS				25
A-1620-22-47-4717	DEPT BLDG/PROP REPAIRS				275
A-1620-23-43-4301	COMPUTER SUPPLIES			75	
A-1620-23-45-4526	SPEC DEPT SUPPLY PAINT			300	
A-1620-23-47-4717	DEPT BLDG/PROP REPAIRS				300
A-1620-23-47-4717	DEPT BLDG/PROP REPAIRS				75
A-1620-26-45-4526	SPEC DEPT SUPPLY PAINT			325	
A-1620-26-47-4717	DEPT BLDG/PROP REPAIRS				325
A-3110-30-41-4102	AUTO/TRAVEL LODGING			850	
A-3110-30-45-4506	SPEC DEPT SUPPLY PUBLIC SAFETY				850
A-4010-33-10-1011	PERSONAL SERV REGULAR PAY				2,250
A-4010-33-42-4205	OFFICE PRINTING			1,000	
A-4010-33-46-4608	MISC SERV/EXP EMPL TUITION REFUNDS			1,000	
A-4010-33-47-4717	DEPT BLDG/PROP REPAIRS			250	
A-4010-34-10-1011	PERSONAL SERV REGULAR PAY				1,000
A-4010-34-46-4608	MISC SERV/EXP EMPL TUITION REFUNDS			1,000	
A-4010-35-42-4203	OFFICE OFFICE SUPPLIES			219	
A-4010-35-45-4501	SPEC DEPT SUPPLY SPEC DEPT SUPPLY MISC/OTHER				219
A-4010-44-40-4001	CONTRACT AGENCIES				5,000

May 2013
 Modifications to the 2013 Sullivan County Budget

Account Code	Account Description	Revenue		Appropriation	
		Increase	Decrease	Increase	Decrease
A-4010-44-45-4501	SPEC DEPT SUPPLY SPEC DEPT SUPPLY MISC/OTHER			5,000	
A-4050-40-4013	CONTRACT CONTRACT OTHER			1,500	
A-4050-45-4541	SPEC DEPT SUPPLY TOOLS			5,800	
A-4050-47-4752	DEPT MISC PROGRAM EXP			2,500	
A-4050-47-4774	DEPT PUBLIC HEALTH EDUCATION				9,800
A-4082-10-1011	PERSONAL SERV REGULAR PAY				3,000
A-4082-42-4207	OFFICE FURNITURE			3,000	
A-6293-42-4201	OFFICE ADVERTISING			2,422	
A-6293-47-4780	DEPT CLIENT TRAINING				2,422
A-6610-42-4205	OFFICE PRINTING			25	
A-6610-45-4501	SPEC DEPT SUPPLY SPEC DEPT SUPPLY MISC/OTHER				25
A-7110-39-42-4201	OFFICE ADVERTISING			375	
A-7110-82-45-4541	SPEC DEPT SUPPLY TOOLS			25	
A-7110-82-47-4717	DEPT BLDG/PROP REPAIRS				25
A-7520-42-4201	OFFICE ADVERTISING			1	375
A-7520-45-4548	SPEC DEPT SUPPLY ELECTRICAL/PLUMBING				1
A-7520-47-4717	DEPT BLDG/PROP REPAIRS				15
A-7610-87-41-4107	AUTO/TRAVEL VOLUNTEER/CLIENT				15
A-7610-87-45-4543	SPEC DEPT SUPPLY FOOD			15	
A-8810-45-4530	SPEC DEPT SUPPLY HARDWARE/MISC SUPPLY				100
A-8810-45-4532	SPEC DEPT SUPPLY SEED/MULCH ETC				100
A-8810-47-4710	DEPT DEPT MISC/OTHER				150
A-8810-47-4717	DEPT BLDG/PROP REPAIRS			800	
A-8810-47-4779	DEPT BLDG/PROP MAINTNCE SERVICES				175
A-00915-00146	APPROPRIATED FUND BALANCE DRUG FOFEITURE NYS	13,000			
	General Fund Total	13,000	-	41,113	28,113
CL-8160-45-4532	SPEC DEPT SUPPLY SEED/MULCH ETC			50	
CL-8160-45-4532	SPEC DEPT SUPPLY SEED/MULCH ETC			750	
CL-8160-47-4717	DEPT BLDG/PROP REPAIRS				750
CL-8160-47-4717	DEPT BLDG/PROP REPAIRS				50
	Solid Waste Fund Total	-	-	800	800

May 2013
 Modifications to the 2013 Sullivan County Budget

Account Code	Account Description	Revenue		Appropriation	
		Increase	Decrease	Increase	Decrease
DM-5130-48-45-4542	SPEC DEPT SUPPLY WELDING			500	
DM-5130-48-45-4549	SPEC DEPT SUPPLY SAFETY			1,750	
DM-5130-48-47-4717	DEPT BLDG/PROP REPAIRS			5,000	
DM-5130-49-45-4540	SPEC DEPT SUPPLY PARTS/FLUIDS/FILTERS				7,250
Road Machinery Fund Total		-	-	7,250	7,250

**COMBINED: LEGISLATIVE MEMORANDUM,
CERTIFICATE OF AVAILABILITY OF FUNDS
AND RESOLUTION COVER MEMO**

To: Sullivan County Legislature

Fr: Joshua A. Potosek

Re: Request for Consideration of a Resolution: Fund Balance Policy

Date: 5/2/13

Purpose of Resolution: [Provide a detailed statement of what the Resolution will accomplish, as well as a justification for approval by the Sullivan County Legislature.]

To adopt a Fund Balance Policy for Sullivan County

Is subject of Resolution mandated? Explain:

Does Resolution require expenditure of funds? Yes ___ No

If "Yes, provide the following information:

Amount to be authorized by Resolution: \$ _____

Are funds already budgeted? Yes ___ No ___

If "Yes" specify appropriation code(s): _____

If "No", specify proposed source of funds: _____

Estimated Cost Breakdown by Source:

County	\$ _____	Grant(s)	\$ _____
State	\$ _____	Other	\$ _____
Federal Government	\$ _____	(Specify)	_____

Verified by Budget Office: Janet Milby

Does Resolution request Authority to Enter into a Contract? Yes ___ No

If "Yes", provide information requested on Pages 2 and 3.

**RESOLUTION NO. INTRODUCED BY MANAGEMENT AND BUDGET
COMMITTEE TO ADOPT A FUND BALANCE POLICY FOR SULLIVAN
COUNTY**

WHEREAS, it is prudent for fiscal planning and stability to have written policies for fund balance management, and

WHEREAS, a fund balance policy shall establish a clear policy and procedures for developing, appropriating, and managing its operating budget and capital program, and

WHEREAS, the County Treasurer and the Commissioner of Management and Budget have presented and proposed a written policy for fund balance management, and recommends that the Sullivan County Legislator's review and adopt said policy.

NOW, THEREFORE, BE IT RESOLVED, that the proposed written policy for Fund Balance Management, is hereby adopted, and

Moved by:

Seconded by:

COUNTY OF SULLIVAN

FUND BALANCE POLICY

GENERAL INFORMATION:

Sullivan County shall establish a clear policy and procedure for developing, appropriating, and managing its operating budget and capital program. This includes a policy for establishing year-end fund balances that meet specific targets for ensuring accounting and fiscal stability.

It is the policy of the Legislature to adopt a budget each year that is estimated by County Manager and Chief Fiscal Officer to result in year-end fund balances that meet the targets listed below. This policy is important because:

- A. Fund balance size and stability are important factors to credit markets when they determine the credit rating of Sullivan County debt instruments, which in turn affects the interest rate that taxpayers must pay for borrowed funds for many years;
- B. An adequate fund balance enables the County to respond to unforeseen negative events and to level out the impact of those events on taxpayers and service-delivery recipients;
- C. An adequate fund balance makes possible a cash position that is viewed by credit markets as healthy and avoids unnecessary staff time for accounting;
- D. Adequate reserves avoid the costs of borrowing, and generate interest earnings;
- E. Fund balance policy should ensure the County maintains adequate fund balance and reserves to provide the capacity to provide sufficient cash flow for daily financial needs, and to provide adequate reserves to offset significant economic downturns or revenue shortfalls.

All of the above results in lower taxes over the long run. Proposals to reduce the fund balances below target levels in order to avoid higher taxes should always be viewed in this light, lower taxes once can mean repeated future tax increases.

DEFINITIONS:

GASB has replaced the earlier reserved and unreserved fund balance classifications with the following ones:

- A. **FUND BALANCE:** Consists of the measurement of available resources and represents the difference between total assets and total liabilities.
- B. **NONSPENDABLE:** Consists of assets that are inherently non-spendable in the current period either because of their form or because they must be maintained intact, including prepaid items, inventories, long-term portions of loans receivable, financial assets held for resale, and principle of endowments.

- C. **RESTRICTED**: Consists of amounts that are subject to externally enforceable legal purpose restrictions imposed by creditors, or laws and regulations of other governments; or through constitutional provisions or enabling legislation.
- D. **COMMITTED**: Consists of amounts that are subject to a purpose constraint imposed by a formal action of the government's highest level of decision-making authority before the end of the fiscal year, and the same level of formal action is required to remove the constraint.
- E. **ASSIGNED**: Consists of amounts that are subject to a purpose constraint that represents an intended use established by the government's highest decision-making authority, or by their designated body or official. The purpose of the assignment must be narrower than the purpose of the general fund, and in funds other than the general fund assigned fund balance represents the residual amount of fund balance.
- F. **UNASSIGNED**: Represents the residual classification for the government's general fund, and could report a surplus or a deficit. In funds other than the general fund, the unassigned classification should be used only to report a deficit balance resulting from overspending for the specific purposes for which amounts had been restricted, committed or assigned.

POLICY:

- A. When resources have been spent, the County deems that they have been first spent from the highest constraint level available; therefore, they are considered to have been spent in the following order: restricted, committed, assigned and unassigned.
- B. The County will maintain an adequate fund balance in its general fund to provide flexibility and to mitigate current and future risks (e.g., revenue shortfalls and unanticipated expenditures), to ensure stable tax rates, to provide for one time opportunities and to retain favorable credit ratings. The County will endeavor to maintain assigned and unassigned fund balance in its general fund of five percent (5%) of regular general fund operating expenditures.
- C. The actual level of fund balance in the County's general fund is determined in its annual financial statement, several months after the end of the fiscal year. The County's budgeting process, which culminates both in the establishment of the following year's tax rate and the use of any appropriated fund balance, begins approximately two years in advance of the financial statement that will show the budgets results. Because of this time lag and because of the uncertainties of the budgeting process (such as the amounts of appropriated fund balance actually used each year), it is not possible to guarantee in advance a specific level of fund balance at the close of any fiscal year. Therefore, the County will use the following procedure to adjust the levels of fund balance, as necessary.

PROCEDURE:

- A. Once the external auditor has reviewed the County's financial statements for the prior year and has confirmed the fund balances of the general fund, the County Manager and Chief Fiscal Officer will recommend to the appropriate committee of the Legislature the amounts and types of assignments for the fund balance to be included in the financial statement.
- B. The appropriate committee of the Board will review these assignments, discuss them with the external auditor as necessary and accept or modify the assignments prior to the presentation of the statement to the Board.

- C. The County Manager, as Budget Officer and County Treasurer as Chief Fiscal Officer, shall make recommendations regarding the use of fund balance to be appropriated in the following year's budget based on this policy; specifically, he shall recommend as amount that will, in their estimation, retain the level of fund balances established in this policy.
- D. If the level of assigned and unassigned fund balances in the general fund falls more than 10% above or below the level set by this policy, the County Manager, as Budget Officer and County Treasurer as Chief Fiscal Officer shall recommend increasing (but see E, below) or decreasing the use of fund balance appropriated in the following year's budget, such that in his estimation over the course of no more than three years, the fund balance will be again within the level set by this policy.
- E. Where the level of Assigned/Unassigned fund balances is shown to be more than 10% above the level set by this policy, as an alternative, or in addition to increasing the use of fund balance in the following year's budget, the County Manager and County Treasurer may recommend the use of ,or the Legislator's may use, Assigned/Unassigned fund balances during or outside the budget process for one-time expenditures to meet unusual opportunities or to reduce the Count's debt in order to, in their estimation, meet this policy.