

Establishing A Tax Stabilization Reserve Fund Of The County Of Ulster Under Section 6-E Of The New York State General Municipal Law

Referred to: The Ways and Means Committee (Chairman Gerentine and Legislators Bartels, Belfiglio, Briggs, Maio, Maloney, Provenzano, and Rodriguez)

Chairman of the Ways and Means Committee, Richard A. Gerentine, and Deputy Chairman Tracey A. Bartels offer the following:

~~WHEREAS, there is a need to protect Ulster County taxpayers from unanticipated revenue loss which, as a matter of law, cannot be financed with amounts available in any other account or fund; now, therefore, be it~~

WHEREAS, the Executive Budget recommends the establishment of a tax stabilization reserve fund to protect taxpayers from unsustainable and unpredictable fluctuations in county taxes; and

WHEREAS this fund is designed to guard against unforeseen increases in County costs such as additional unfunded state mandates, increased pension costs, or cuts in state aid; and

WHEREAS, this fund provides the type of stability and fiscal responsibility that the New York State Comptroller's Office and our bond rating agencies recommend; now, therefore be it

RESOLVED, that there be and hereby is established a Tax Stabilization Reserve Fund in the amount of one million five hundred dollars (\$1,500,000.00); and, be it further

RESOLVED, such fund is to be known as the "Tax Stabilization Reserve Fund of the County of Ulster (the "Fund"); and, be it further

RESOLVED, there may be paid into such Fund such amounts as may be provided therefor by budgetary appropriation, unappropriated cash surplus in the eligible portion of the annual budget as defined in subsection 1(e) of section 6-e of the General Municipal Law of the State of New York, and such revenues as are not required by law to be paid into any other fund or account; provided, however, that no amount may be appropriated for payment into such Fund which would cause the balance of the Fund to exceed ten (10) percent of the eligible portion of the annual budget for the fiscal year for which the appropriation would be made; and, be it further

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RESOLVED, moneys in such Fund may be appropriated only:

a. To finance an unanticipated revenue loss chargeable to the eligible portion of the annual budget, subject to the following limitations:

- (1) the maximum amount of moneys in the Fund that may be used to finance an unanticipated revenue loss shall equal either the amount of the revenue actually received for the base year or the amount of the estimated revenue for the current fiscal year, whichever is less, minus the amount of the revenue actually received for the current fiscal year; and
- (2) the moneys in the Fund may be used only to finance that portion of the unanticipated revenue loss which, as a matter of law, cannot be financed with amounts available in any other account or fund.

b. To finance an unanticipated expenditure chargeable to the eligible portion of the annual budget, subject to the following limitations:

- (1) the maximum amount of moneys in the Fund that may be used to finance an unanticipated expenditure shall equal the sum of the amount of the unanticipated expenditure and the amount appropriated for that purpose for the current fiscal year minus either the amount appropriated for that purpose for the current fiscal year or the actual expenditure for the same purpose in the base year, whichever is greater; and
- (2) the moneys in the Fund may be used only to finance that portion of an unanticipated expenditure which, as a matter of law, cannot be financed with amounts available in any other account or fund.

c. To lessen or prevent any projected increase in excess of two and one half (2 ½) percent in the amount of the real property tax levy needed to finance the eligible portion of the annual budget for the next succeeding fiscal year. The maximum amount of moneys in the Fund that may be used for this purpose shall equal the difference between the projected amount of such real property tax levy and one hundred two and one half (102 ½) percent of the amount of the real property tax levy needed to finance the eligible portion of the annual budget for the current fiscal year; and, be it further

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RESOLVED, the Ulster County Commissioner of Finance (the “Commissioner of Finance”) shall account for the Fund separate and apart from all other funds of the County of Ulster (the “County”). Such accounting shall show: the source, date and amount of each sum paid into the Fund; the interest earned by such Fund; capital gains or losses resulting from the sale of investments of the Fund; the order, source thereof, date and amount of each appropriation from this Fund; the assets of the Fund, indicating cash balance and a schedule of investments. Not later than sixty (60) days after the start of each fiscal year and at such times as may be required by the Ulster County Legislature (the “Legislature”) or the Ulster County Executive (the “Executive”), the Commissioner of Finance shall furnish to the Legislature and the Executive a detailed report of the operation and condition of the Fund during the preceding fiscal year which shall include a statement of receipts and disbursements, and a statement of the balance of the Fund as of the last day of such preceding fiscal year and such other dates as may be specified by the Legislature Not later than thirty (30) days prior to the last date provided by the Ulster County Charter (the “Charter”) for the filing of the executive operating budget, the Commissioner of Finance shall furnish to the County Executive a statement of the current balance of the Fund. When preparing the executive operating budget of the County, if the current balance of the Fund, as shown by the statement of the Commissioner of Finance required by this section, exceeds ten percent of the eligible portion of the annual budget for the current fiscal year, such excess shall be used to reduce the amount of real property taxes needed to finance the eligible portion of the annual budget for the next succeeding fiscal year; and, be it further

RESOLVED, the Executive and the members of the Legislature, as trustees of the moneys in the Fund, shall be subject to all duties and responsibilities imposed by law on trustees, and such duties and responsibilities may be enforced by the Executive and the Legislature, or any officer or taxpayer thereof; and, be it further

RESOLVED, any officer of the County shall be guilty of a misdemeanor if he or she willfully and knowingly causes the County to:

- a. Appropriate moneys from the Fund for any purpose not authorized by this section.
- b. Expend any money from the Fund for a purpose other than that for which it was appropriated.

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The provisions of this section shall be considered to be in addition to any other penalties provided by law;

and, be it further

RESOLVED, that out of the revenues received by the County during the year 2015 and not otherwise appropriated, the sum of one million five hundred dollars (\$1,500,000.00) be and the same hereby is appropriated for said Tax Stabilization Reserve Fund of the County of Ulster, and the Commissioner of Finance of the County is hereby authorized, empowered and directed to transfer from said revenues the said sum of one million five hundred dollars (\$1,500,000.00) dollars to said Fund; and, be it further

RESOLVED, such additional sums as may hereafter be appropriated shall become part of said Fund; and, be it further

RESOLVED, such additional sums as may hereafter be appropriated shall become part of said Fund; and, be it further

RESOLVED, the Commissioner of Finance in his/her discretion, may invest the moneys in such Fund in the manner provided in section 6-f of the General Municipal Law of the State of New York. Any interest earned or capital gains realized on the moneys so deposited or invested shall accrue to and become a part of such Fund; and, be it further

RESOLVED, no expenditure shall be made from said Fund except upon the recommendation of the Executive and the adoption of a resolution appropriating the recommended amount by at least a two-thirds vote of the Legislature subject to a permissive referendum pursuant to the provisions of section 6-e(2) of the General Municipal Law of the State of New York; and, be it further

RESOLVED, this resolution shall be subject to a permissive referendum as permitted by subsection 2 of section 6-e of the General Municipal Law of the State of New York;

and move its adoption.

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ADOPTED AS AMENDED BY THE FOLLOWING VOTE:

AYES: 22 NOES: 1
(Noes: Legislator Donaldson)

Passed Committee: Ways and Means as amended on November 18, 2014

FINANCIAL IMPACT:

\$1,500,000.00 – TAX STABILIZATION RESERVE FUND

Legislator Gerentine motioned, seconded by Legislator Maio, to strike the first WHEREAS, and insert the three new WHEREAS clauses as indicated above in bold font.

MOTION ADOPTED BY THE FOLLOWING VOTE:

AYES: 23 NOES: 0

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STATE OF NEW YORK

ss:

COUNTY OF ULSTER

This is to certify that I, the undersigned Clerk of the Legislature of the County of Ulster have compared the foregoing resolution with the original resolution now on file in the office of said clerk, and which was adopted by said Legislature on the 18th Day of November, 2014, and that the same is a true and correct transcript of said resolution and of the whole thereof.

IN WITNESS WHEREOF, I have hereunto set my hand and seal of the County of Ulster this 19th Day of November in the year Two Thousand and Fourteen.

|s| Victoria A. Fabella
Victoria A. Fabella, Clerk
Ulster County Legislature

Submitted to the County Executive this
20th Day of November, 2014.

Approved by the County Executive this
24th Day of November, 2014.

|s| Victoria A. Fabella
Victoria A. Fabella, Clerk
Ulster County Legislature

|s| Michael P. Hein
Michael P. Hein, County Executive