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**O'CONNOR  
DAVIES**

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## REPORT TO THE LEGISLATURE ON THE REVIEW OF THE 2016 EXECUTIVE BUDGET

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# Agenda / Contents

- Budget Overview
- New Initiatives
- Discussion Items
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# Budget Overview

- The 2016 Executive Budget is \$330 million, a decrease of \$4.5 million (1.4% decrease) as compared to the adopted budget for 2015
- The budget as proposed contains a property tax levy of \$77,085,730, a decrease of \$857,374 (1.1% decrease) as compared to the adopted 2015 budget
- The appropriation of fund balance:
  - 2015 adopted budget of \$19.47 million
  - 2016 Executive budget \$16.12 million
  - \$3.35 million decrease

# New Initiatives

- Continuation of the Infrastructure Investment Program - \$15 million
- New Capital Projects – totaling over \$24 million
- 2<sup>nd</sup> Year of takeover Help America Vote Act

## Discussion Items

# REVENUES

# Sales Tax

- Budget Assumptions
  - 2015 payments in 4<sup>th</sup> quarter – growth at .86%
- 2015 Adopted Budget = \$92.3 million
  - Our projection of revenue = \$92.3 million
- 2016 Executive Budget = \$94.0 million
  - Our projection of revenue = \$93.2 million
  - 1.00% growth on our 2015 projection
  - \$800,000 (net of municipal sharing) less than the Executive Budget

**Our projection indicates an unfavorable variance of \$800,000 when compared to the 2016 Executive Budget.**

# Interest & Penalties on Real Property Taxes

- 2015 Adopted Budget = \$4.7 million
  - Our projection of revenue = \$4.8 million
  - \$100,000 more than the Adopted Budget
- 2016 Executive Budget = \$4.6 million
  - Our projection of revenue = \$4.8 million
  - \$200,000 more than the Executive Budget

**Our projection indicates a favorable variance of \$200,000 when compared to the 2016 Executive Budget.**

# Hotel/Motel Tax

- Budget Assumptions:
  - Minimal growth based on past trends
- 2015 Adopted Budget = \$1.2 million
  - Our projection of revenue = \$1.25 million
  - \$50,000 more than the Adopted Budget
- 2016 Executive Budget = \$1.25 million
  - Our projection = \$1.25 million

**Our projection is similar to the amount contained in the 2016 Executive Budget. Therefore, there is no variance.**



# Gain on Sale of Tax Acquired Property

- 2015 Adopted Budget = \$700,000
  - Our projection = \$750,000
  - \$50,000 more than the Adopted Budget
- 2016 Executive Budget = \$900,000
  - Our projection = \$900,000

**Our projection is similar to the amount contained in the 2016 Executive Budget. Therefore, there is no variance.**

# Deferred Taxes/Tax Overlay

- 2015 Adopted Budget = (\$1,000,000)
  - Our projection = (\$100,000)
  - \$900,000 more than the Adopted Budget
- 2016 Executive Budget = (\$1,000,000)

**Our projection is similar to the amount contained in the 2016 Executive Budget. Therefore, there is no variance.**

# County Clerk Fees

## *(Recording Division)*

- 2015 Adopted Budget = \$1.4 million
  - Our projection = \$1.6 million
  - \$200,000 more than the Adopted Budget
- 2016 Executive Budget = \$1.5 million
  - Our projection = \$1.65 million
  - \$150,000 more than Executive Budget

**Our projection indicates a favorable variance of \$150,000 when compared to the 2016 Executive Budget.**

# County Clerk Fees

*(Motor Vehicle Division)*

- 2015 Adopted Budget = \$780,000
  - Our projection = \$780,000
- 2016 Executive Budget = \$800,000
  - Our projection = \$800,000

**Our projection is similar to the amount contained in the 2016 Executive Budget. Therefore, there is no variance.**

# Automobile Use Tax

- 2015 Adopted Budget = \$1.2 million
  - Our projection = \$1.1 million
  - \$100,000 less than the Adopted Budget
- 2016 Executive Budget = \$1.2 million
  - Our projection = \$1.2million

**Our projection is similar to the amount contained in the 2016 Executive Budget. Therefore, there is no variance.**

# Jail

## *(Inmate Board-Ins)*

- 2015 Adopted Budget = \$800,000
  - Our projection = \$800,000
- 2016 Executive Budget = \$450,000
  - Our projection = \$300,000
  - \$150,000 less than the Executive Budget

**Our projection indicates an unfavorable variance of \$150,000 when compared to the 2016 Executive Budget.**

# Department of Public Works

## *(Sale of Real Property)*

- 2015 Adopted Budget = \$300,000
  - Included \$300,000 of estimated revenue from the sale of **300 Flatbush Ave., Kingston, NY**
  - This sale never occurred
  - \$300,000 less than the Adopted Budget
- 2016 Executive Budget = \$450,000
  - Includes the sale of two parcels
    - **300 Flatbush Avenue, Kingston, NY**
    - **25 S. Manor Avenue, Kingston, NY**

**Our projection is similar to the amount contained in the 2016 Executive Budget. Therefore, there is no variance.**

# Casino Gaming Fee

- 2016 Executive Budget = \$900,000
  - County to receive 10% of gaming license revenue distributed to counties in region 1 based on population within the region.
  - Caution on inclusion of revenue from this new source given that the law was not specific as to the time period for payment.



# EXPENDITURES

# Personnel Costs

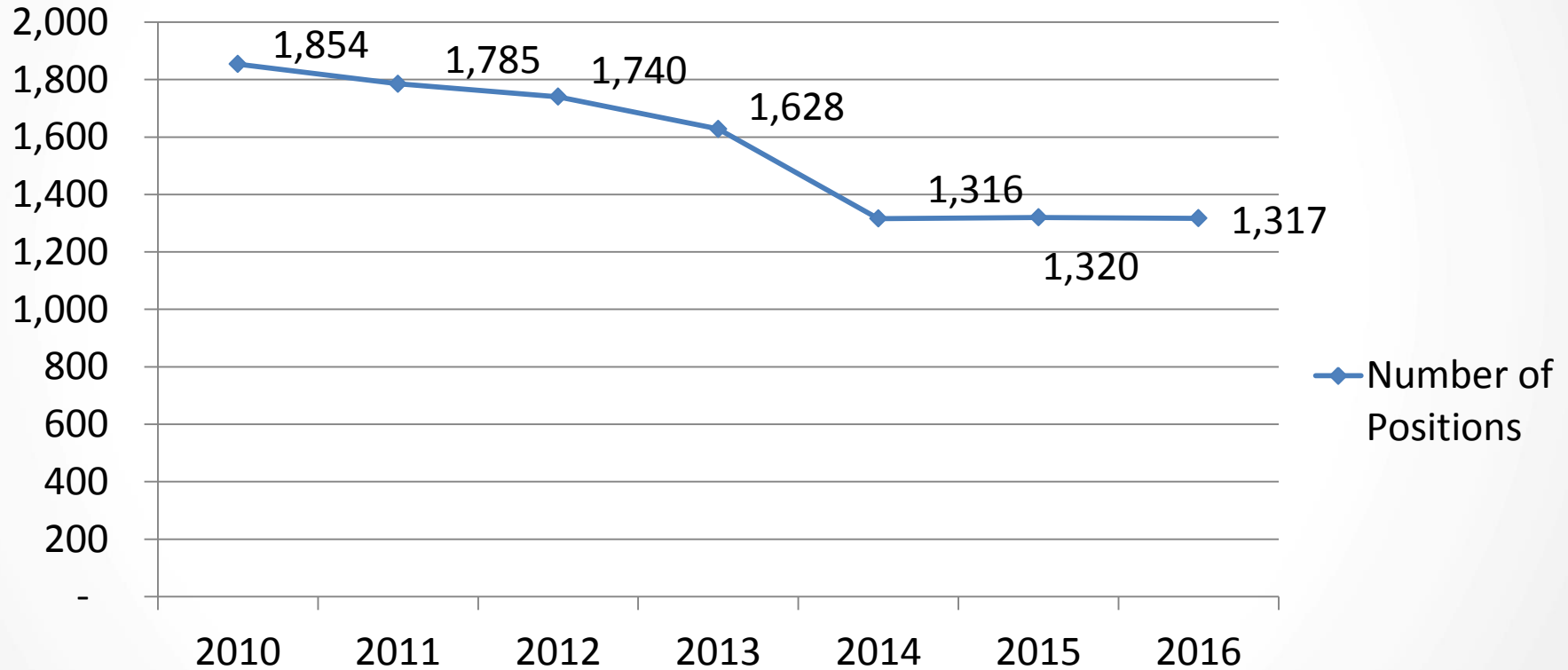
*(Excluding Overtime)*

- 2015 Adopted Budget = \$76.4 million
  - Our projection = \$72 million
  - \$4.4 million less than the Adopted Budget
- 2016 Executive Budget = \$78.25 million
  - The administration has indicated to us that they do not include a vacancy factor in the budget as a matter of policy

**Our projection indicates that budgetary savings may be available. The County has never budgeted salary savings in order to remain conservative and to have budget flexibility if unforeseen emergencies occur.**

# Budgeted Positions

## Number of Positions



# Vacant Positions

Department	Number of Positions	Salary
Department of Social Services	20	\$691,000
Maintenance of Roads & Bridges	8	311,000
Information Services	4	259,000
Buildings & Grounds	2	112,000
Jail	2	86,000
Public Health	2	38,000
Office of the Aging	1	29,000
<b>Totals</b>	<u>39</u>	<u>\$1,526,000</u>

# Overtime

- Budget Assumptions
  - Vacancies remain stable through 2016
- 2015 Adopted Budget = \$2.7 million
  - Our projection = \$2.8 million
  - \$100,000 more than the Adopted Budget
- 2016 Executive Budget = \$2.8 million
  - Our projection = \$2.8 million

**Our projection is similar to the amount contained in the 2016 Executive Budget. Therefore, there is no variance.**

# Labor Contracts

- Settled Contracts
  - Sheriff's Association 12/31/15
  - Staff Association 12/31/16
  - Civil Service Employees Association 12/31/16
  - Police Benevolent Association 12/31/17
  - Superior Officer's Unit 12/31/17

# Jail

## *(Food Costs)*

- 2015 Adopted Budget = \$700,000
  - Our projection = \$700,000
- 2016 Executive Budget = \$700,000
  - Our projection = \$700,000

**Our projection is similar to the amount contained in the 2016 Executive Budget. Therefore, there is no variance.**

# Jail

## *(Medical Services)*

- 2015 Adopted Budget = \$2.9 million
  - Our projection = \$2.70 million
  - \$200,000 less than the Adopted Budgeted
- 2016 Executive Budget = \$2.75 million
  - Our projection = \$2.75 million

**Our projection is similar to the amount contained in the 2016 Executive Budget. Therefore, there is no variance.**



# Employee Benefits

	<b>2016 Executive Budget (millions)</b>
Medical Benefits	\$ 23.5
Retirement	12.9
Social Security	6.3
Workers' Compensation	3.3
Unemployment	0.2
Vacation & Sick Time Buybacks	0.8
Other Employee Benefits	0.3
	<u>\$ 47.3</u>

# Employee Benefits

## *(Retirement)*

- 2015 Adopted Budget = \$14.60 million
  - Our projection = \$13.75 million
  - \$850,000 less than the Adopted Budget
- 2016 Executive Budget = \$12.9 million
  - Our projection = \$12.9 million

**Our projection is similar to the amount contained in the 2016 Executive Budget. Therefore, there is no variance.**

# Employee Benefits

*(Medical Benefits [Health, Dental & Vision])*

- 2015 Adopted Budget = \$23.0 million
  - Our projection = \$21.7 million
  - \$1.30 million less than the Adopted Budget
- 2016 Executive Budget = \$23.5 million
  - Allows for an 8% increase in claims costs as compared to 2015 projections

**Our projection is similar to the amount contained in the 2016 Executive Budget. Therefore, there is no variance.**

# Employee Benefits

## *(Social Security)*

- 2015 Adopted Budget = \$6.1 million
  - Our projection = \$5.6 million
  - \$500,000 less than the Adopted Budget
- 2016 Executive Budget = \$6.25 million
  - Our projection = \$6.03 million
  - \$225,000 less than the Executive Budget

**Our projection indicates a favorable variance of \$225,000 when compared to the 2016 Executive Budget.**

# Department of Social Services

*(Programs included in the 2016 Proposed Budget)*

	2014 Actuals (000's)	2015 Adopted Budget (000's)	2016 Executive Budget (000's)
DSS Administration	\$ 30,537	\$ 33,232	\$ 31,287
Purchase of Services - Day Care Program	3,556	3,375	3,600
MMIS - Medicaid	36,230	36,099	34,921
Family Assistance	13,660	14,000	14,000
Children's Services	22,866	26,142	25,725
Safety Net	9,954	11,000	11,200
Other Programs	1,466	2,465	1,885
<b>Total Department of Social Services</b>	<b>\$ 118,269</b>	<b>\$ 126,313</b>	<b>\$ 122,618</b>
County Taxation	\$ 69,788	\$ 64,096	\$ 60,923

# Department of Social Services

*(Day Care)*

- 2015 Adopted Budget = \$3.4 million
  - Our projection = \$3.45 million
  - \$50,000 more than the Adopted Budget
  - \$0 impact on local share
- 2016 Executive Budget = \$3.6 million
  - Our projection = \$3.6 million

**Our projection is similar to the amount contained in the 2016 Executive Budget. Therefore, there is no variance.**

# Department of Social Services

*(MMIS)*

- 2015 Adopted Budget = \$36.0 million
  - Our projection = \$34.5 million
  - \$1.5 million less than the Adopted Budget
- 2016 Executive Budget = \$34.9 million
  - Our projection = \$34.9 million

**Our projection is similar to the amount contained in the 2016 Executive Budget. Therefore, there is no variance.**

# Department of Social Services

## *(Family Assistance)*

- 2015 Adopted Budget = \$14.0 million
  - Our projection = \$13.0 million
  - \$1.0 million less than the Adopted Budget
  - \$300,000 local share savings
- 2016 Executive Budget = \$14.0 million
  - Our projection = \$13.5 million
  - \$500,000 less than the Executive Budget
  - \$150,000 local share savings

**Our projection indicates a favorable variance of \$150,000 when compared to the 2016 Executive Budget.**



# Department of Social Services

*(Safety Net)*

- 2015 Adopted Budget = \$11.0 million
  - Our projection = \$10.5 million
  - \$500,000 less than the Adopted Budget
  - \$350,000 local share savings
- 2016 Executive Budget = \$11.2 million
  - Our projection = \$11.0 million
  - \$200,000 less than the Executive Budget
  - \$140,000 local share savings

**Our projection indicates a favorable variance of \$140,000 when compared to the 2016 Executive Budget.**

# Department of Social Services

*(Childcare Division)*

- 2015 Adopted Budget = \$26.1 million
  - Our projection = \$23.0 million
  - \$3.1 million less than Adopted Budget
  - \$1.0 million local share savings
- 2016 Executive Budget = \$25.7 million
  - Our projection = \$23.2 million
  - \$2.5 million less than the Executive Budget
  - \$850,000 local share savings

**Our projection indicates a favorable variance of \$850,000 when compared to the 2016 Executive Budget.**

# Debt Service

*(Serial Bonds – Principal and Interest)*

- 2015 Adopted Budget = \$9 million
  - Our projection = \$9 million
- 2016 Executive Budget = \$9.6 million
  - Our projection = \$9.6 million

**Our projection is similar to the amount contained in the 2016 Executive Budget. Therefore, there is no variance.**

# Department of Public Works

*(Buildings and Grounds – Electricity and Gas)*

- 2015 Adopted Budget = \$1.5 million
  - Our projection = \$1.4 million
  - \$100,000 less than the Adopted Budget
- 2016 Executive Budget = \$1.55 million
  - Our projection = \$1.4 million
  - \$150,000 less than the Executive Budget

**Our projection indicates a favorable variance of \$150,000 when compared to the 2016 Executive Budget.**

# Department of Public Works

*(Buildings and Grounds – Law Enforcement – Heating Fuel)*

- 2015 Adopted Budget = \$500,000
  - Our projection = \$350,000
  - \$150,000 less than the Adopted Budget
- 2016 Executive Budget = \$400,000
  - Our projection = \$400,000

**Our projection is similar to the amount contained in the 2016 Executive Budget. Therefore, there is no variance.**

# Department of Public Works

*(Buildings and Grounds – Repairs and Maintenance)*

	2016 Executive Budget
Quarry Substation Building Improvements	\$ 187,000
County Office Building Electric Upgrades	118,000
DSS - Sheriff Security	400,000
Family Court Phase II	279,500
Information System Admin & Maint.	618,000
	<u>\$ 1,602,500</u>

# Department of Public Works

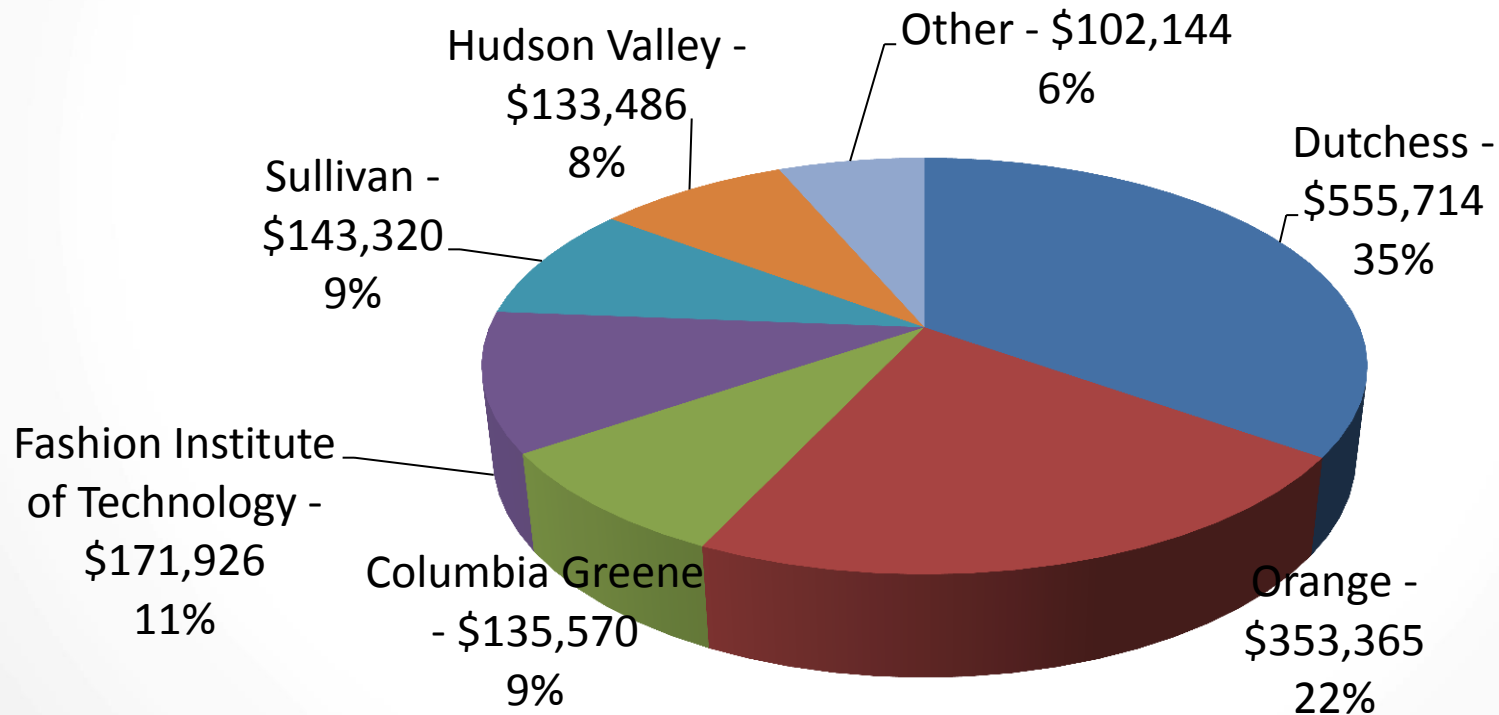
*(Highways and Bridges – Salt and Chloride)*

- 2015 Adopted Budget = \$800,000
  - Our projection = \$1.1 million
  - \$300,000 more than the Adopted Budget
- 2016 Executive Budget = \$1.1 million
  - Our projection = \$1.1 million

**Our projection is similar to the amount contained in the 2016 Proposed Budget. Therefore, there is no variance.**

# Community College Tuition Expense

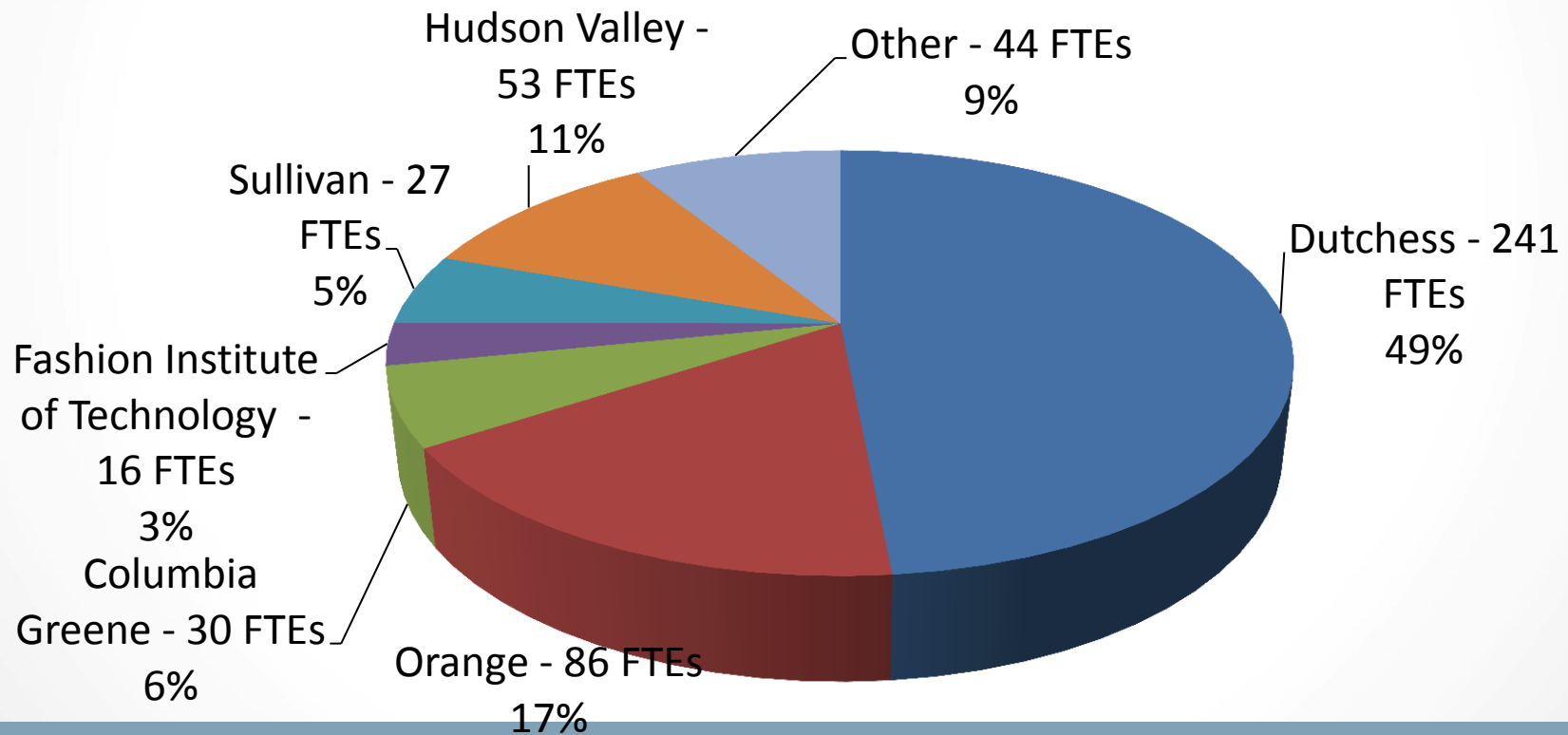
## Community College Chargebacks Amount Paid: 9/1/14 - 8/31/15





# Community College Tuition Expense

## Community College Chargebacks FTE Students: 9/1/14 - 8/31/15



# Community College Tuition

- 2015 Adopted Budget = \$3.6 million
  - Our projection = \$3.4 million
  - \$200,000 less than the Adopted Budget
- 2016 Executive Budget = \$3.65 million
  - Our projection = \$3.65 million

**Our projection is similar to the amount contained in the 2016 Proposed Budget. Therefore, there is no variance.**

# Contingency

## 2016 Executive Budget

### Components

- \$800,000 for general contingency
  - \$600,000 less than the 2015 Adopted Budget

# Summary of Findings - Revenues

Revenues	2015		2016	
	Unfavorable Increase in County Share	Favorable Decrease in County Share	Favorable Variance	Unfavorable Variance
Sales Tax	\$ -	\$ -	\$ -	\$ 800,000
Interest and Penalties on Real Property Taxes	-	100,000	200,000	-
Hotel/Motel Occupancy Tax	-	50,000	-	-
Gain on Sale of Tax Acquired Property	-	50,000	-	-
Deferred Taxes/Tax Overlay (A)	-	900,000	-	-
County Clerk Fees - Recording Division	-	200,000	150,000	-
Automobile Use Tax	100,000	-	-	-
Jail - Inmate Board-Ins	-	-	-	150,000
Department of Public Works - Sale of Real Property	300,000	-	-	-
Total Revenues	<u>\$ 400,000</u>	<u>\$ 1,300,000</u>	<u>\$ 350,000</u>	<u>\$ 950,000</u>

# Summary of Findings - Expenditures

## Expenditures

Personnel Expenditures:					
Salaries	\$	-	\$ 2,400,000	\$	-
Overtime		100,000	-		-
Jail					
Medical - Health Care Services		-	200,000		-
Employee Benefits:					
Retirement Costs		-	850,000		-
Health Benefits		-	1,300,000		-
Social Security		-	500,000	225,000	-
Department of Social Services, Net:					
Administration		-	400,000		-
Medicaid Management Information Systems		-	1,500,000		-
Family Assistance		-	300,000	150,000	-
Safety Net		-	350,000	140,000	-
Child Care Division		-	1,000,000	850,000	-
Department of Public Works:					
Buildings and Grounds					
Electricity/Gas		-	100,000	150,000	-
Heating Fuel			150,000		-
Snow Removal					
Salt and Chloride		300,000	-		-
Community College Tuition		-	200,000		-
Contingency		-	400,000		-
Total Expenditures		<u>400,000</u>	<u>9,650,000</u>	<u>1,515,000</u>	<u>-</u>
Total Revenues and Expenditures		<u>800,000</u>	<u>10,950,000</u>	<u>1,865,000</u>	<u>950,000</u>
Net Impact to County Taxation	\$	-	\$ 10,150,000	\$ 915,000	\$ -
Other Matters for Consideration:					
Casino Gaming Fees				\$ -	\$ 900,000

A - Property Tax Overlay - Ulster County is responsible by State Law to guarantee the property taxes for Towns, Villages and School Districts.

# QUESTIONS?



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