

**MANAGEMENT AND BUDGET COMMITTEE
THURSDAY, August 16, 2012 2:30 PM**

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

AGENDA

PRESENTATIONS:

1. 2011 Comprehensive Annual Financial Report – O'Connor, Davies, Munns and Dobbins, LLP
2. Quarterly Budget Update – Joshua Potosek
3. NYS Tax Cap (PowerPoint)

DISCUSSIONS: None

RESOLUTIONS

AUDIT - None

COUNTY TREASURER –None

GRANTS- None

MANAGEMENT AND BUDGET

1. To modify the 2012 County Budget.
2. To apportion cost of the County Self-Insurance Plan and Levying Taxes Therefore.
3. To amend the Capital Budget for the Sheriff's Office
4. To adopt the 2012-2013 Sullivan County Community College Budget
5. To approve a corrective action plan for the 2011 County Audit

MANAGEMENT INFORMATION SYSTEMS - None

PUBLIC COMMENT

**RESOLUTION NO. INTRODUCED BY MANAGEMENT AND BUDGET
COMMITTEE TO MODIFY THE 2012 COUNTY BUDGET**

WHEREAS, the County of Sullivan 2012 Budget requires modification,

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

Moved by:

Seconded by:

August 2012
 Modifications to the 2012 Sullivan County Budget

Account Code	Account Description	Revenue Increase	Revenue Decrease	Appropriation Increase	Appropriation Decrease
A-1410-11-42-4204	OFFICE POSTAGE			850	
A-1410-11-42-4206	OFFICE PUBLICATIONS				15
A-1410-11-47-4708	DEPT INSURANCE			15	
A-1410-11-R1255-R168	CLERK FEE DMV FEES	850			
A-1420-41-4102	AUTO/TRAVEL LODGING			550	
A-1420-41-4103	AUTO/TRAVEL MEALS			500	
A-1420-41-4104	AUTO/TRAVEL MILEAGE/TOLLS			600	
A-1420-42-4203	OFFICE OFFICE SUPPLIES			200	
A-1420-42-4205	OFFICE PRINTING				200
A-1420-47-4704	DEPT STENOGRAPHIC SERVICES			1,200	
A-1420-47-4705	DEPT COUNSEL/WITNESS EXPENSE				600
A-1420-R1265-R247	ATTORNEY FEE MISC FEE/REIMBURSMINT	2,250			
A-1430-42-4201	OFFICE ADVERTISING			1,995	
A-1430-46-4612	MISC SERV/EXP EMPL TRAINING				300
A-1430-47-4704	DEPT STENOGRAPHIC SERVICES				400
A-1430-R1260-R130	PERSONNEL FEE CHARGBCK - ADVERTSNG	1,295			
A-1620-22-44-4401	UTILITY ELECTRIC				2,500
A-1620-22-44-4401	UTILITY ELECTRIC				3,000
A-1620-22-45-4532	SPEC DEPT SUPPLY SEED/MULCH ETC			10	
A-1620-22-45-4548	SPEC DEPT SUPPLY ELECTRICAL/PLUMBING				510
A-1620-22-47-4717	DEPT BLDG/PROP REPAIRS			500	
A-1620-22-47-4717	DEPT BLDG/PROP REPAIRS			3,000	
A-1620-22-47-4717	DEPT BLDG/PROP REPAIRS			2,500	
A-1620-23-21-2102	FIXED BUILDINGS			116	
A-1620-23-45-4520	SPEC DEPT SUPPLY TRUE/LEVELING PATCH			600	
A-1620-23-45-4532	SPEC DEPT SUPPLY SEED/MULCH ETC				216
A-1620-23-45-4541	SPEC DEPT SUPPLY TOOLS			100	
A-1620-24-45-4505	SPEC DEPT SUPPLY BLDG/PROP MAINTENANCE				500
A-1620-24-45-4540	SPEC DEPT SUPPLY PARTS/FLUIDS/FILTERS			1,000	
A-1620-24-45-4549	SPEC DEPT SUPPLY SAFETY			500	
A-1620-24-47-4702	DEPT EQUIP SERVICE/REPAIRS			100	
A-1620-24-47-4717	DEPT BLDG/PROP REPAIRS				100
A-1620-24-47-4717	DEPT BLDG/PROP REPAIRS				2,500

August 2012
 Modifications to the 2012 Sullivan County Budget

Account Code	Account Description	Revenue Increase	Revenue Decrease	Appropriation Increase	Appropriation Decrease
A-1620-24-47-4779	DEPT BLDG/PROP MAINTNCE SERVICES			1,500	
A-1620-26-45-4548	SPEC DEPT SUPPLY ELECTRICAL/PLUMBING			250	250
A-1620-26-47-4717	DEPT BLDG/PROP REPAIRS				50,000
A-1989-99-47-4736	DEPT CONTINGENT				50,000
A-1989-99-47-4775	DEPT CONTINGENT - PUBLIC SAFETY			64	
A-3010-42-4203	OFFICE OFFICE SUPPLIES				64
A-3010-45-4506	SPEC DEPT SUPPLY PUBLIC SAFETY				2,500
A-3010-45-4506	SPEC DEPT SUPPLY PUBLIC SAFETY				2,500
A-3020-42-4203	OFFICE OFFICE SUPPLIES			250	
A-3020-45-4506	SPEC DEPT SUPPLY PUBLIC SAFETY			50,000	250
A-3150-47-4751	DEPT PRISONER HOUSING			5,000	
A-3410-45-4506	SPEC DEPT SUPPLY PUBLIC SAFETY				
A-3410-R3389-R201	ST AID PUBLIC SAFETY FIRE GRANT	2,500			
A-4010-33-45-4543	SPEC DEPT SUPPLY FOOD			200	200
A-4010-33-47-4726	DEPT SECURITY EXPENSE				100
A-4050-10-1011	PERSONAL SERV REGULAR PAY				
A-4050-41-4104	AUTO/TRAVEL MILEAGE/TOLLS			100	
A-4050-44-4406	UTILITY WIRELESS COMMUNICATIONS			1,022	
A-4050-45-4501	SPEC DEPT SUPPLY MISC/OTHER			500	
A-4050-47-4702	DEPT EQUIP SERVICE/REPAIRS				1,022
A-4050-47-4726	DEPT SECURITY EXPENSE				500
A-4082-10-1011	PERSONAL SERV REGULAR PAY				
A-4082-41-4109	AUTO/TRAVEL CO FLEET CHARGEBACK			800	
A-4082-42-4205	OFFICE PRINTING			70	
A-4082-44-4406	UTILITY WIRELESS COMMUNICATIONS			400	
A-4082-45-4507	SPEC DEPT SUPPLY MEDICAL/CLINICAL			1,000	
A-4220-80-8004	EMPL BENFTS HLTH INSUR OPT OUT			1,500	
A-4220-R1631-R247	ALCOHOLISM PROGRAM FEE MISC FEE/REIMBURSMNT		245,932		
A-4220-R3486-R167	ST AID NARCOTC ADDICTN CONTRL DEPARTMENTAL AID				
A-4220-R4486-R297	FED AID NARCOTC ADDICTN CONTRL SALARY SHARING	256,932	1,000		
A-4220-R4486-R297	FED AID NARCOTC ADDICTN CONTRL SALARY SHARING		10,000		
A-4310-46-4643	MISC SERV/EXP EMPL SALARY/BENEFIT CHARGEBACK				12,464
A-4310-R3490-R104	ST AID MENTAL HEALTH ADMINISTRATION		34,149		

August 2012
 Modifications to the 2012 Sullivan County Budget

Account Code	Account Description	Revenue Increase	Revenue Decrease	Appropriation Increase	Appropriation Decrease
A-4320-40-10-1015	PERSONAL SERV OTHER PAY				1,500
A-4320-40-47-4716	DEPT CRIMINAL IN-PATIENT			50,000	
A-4320-40-80-8002	EMPL BENFTS HLTH INSUR ACTIVE EMPLOYEE				7,000
A-4320-40-R3490-R142	ST AID MENTAL HEALTH CLINIC	21,540			
A-4320-41-42-4204	OFFICE POSTAGE				50
A-4320-41-44-4406	UTILITY WIRELESS COMMUNICATIONS				200
A-4320-41-45-4509	SPEC DEPT SUPPLY PATIENT EDUCATNL MATERIAL			300	
A-4320-41-45-4509	SPEC DEPT SUPPLY PATIENT EDUCATNL MATERIAL			50	
A-4320-41-46-4602	MISC SERV/EXP EMPL MEAL ALLOWANCE				100
A-4320-41-80-8002	EMPL BENFTS HLTH INSUR ACTIVE EMPLOYEE			7,000	
A-4320-42-R3490-R122	ST AID MENTAL HEALTH CASE MANAGMNT				
A-4320-42-R3490-R125	ST AID MENTAL HEALTH CASE MANAGMNT - INTENSIVE	175,781	175,636		87,500
A-4322-40-4023	CONTRACT MENTAL HEALTH				
A-4322-R3490-R147	ST AID MENTAL HEALTH OFFICE OF MENTAL HEALTH		36,148		
A-4322-R3490-R395	ST AID MENTAL HEALTH OMRDD		51,352		
A-6010-38-47-4704	DEPT STENOGRAPHIC SERVICES			10	
A-6010-38-47-4709	DEPT INTERPRETERS FEES			250	
A-6010-38-47-4752	DEPT MISC PROGRAM EXP				260
A-6510-10-1015	PERSONAL SERV OTHER PAY				400
A-6510-42-4207	OFFICE FURNITURE			400	
A-7110-82-45-4503	SPEC DEPT SUPPLY RECREATION			124	
A-7110-82-45-4530	SPEC DEPT SUPPLY HARDWARE/MISC SUPPLY			50	
A-7110-82-47-4717	DEPT BLDG/PROP REPAIRS				175
A-7110-82-47-4732	DEPT BLDG/PROP ELECTRONIC MONITORING			1	
A-7110-84-47-4710	DEPT MISC/OTHER			5	
A-7110-84-47-4717	DEPT BLDG/PROP REPAIRS				5
A-7110-85-47-4710	DEPT MISC/OTHER			5	
A-7110-85-47-4717	DEPT BLDG/PROP REPAIRS				5
A-7450-202-42-4203	OFFICE OFFICE SUPPLIES			100	
A-7450-202-47-4717	DEPT BLDG/PROP REPAIRS				100
A-7450-203-45-4548	SPEC DEPT SUPPLY ELECTRICAL/PLUMBING			50	
A-7450-203-47-4717	DEPT BLDG/PROP REPAIRS				50
A-7520-45-4526	SPEC DEPT SUPPLY PAINT			30	

August 2012
 Modifications to the 2012 Sullivan County Budget

Account Code	Account Description	Revenue		Revenue		Appropriation		Appropriation	
		Increase	Decrease	Increase	Decrease	Increase	Decrease	Increase	Decrease
A-7520-47-4729	DEPT SPECIAL PROJECTS								30
A-7610-87-41-4102	AUTO/TRAVEL LODGING						40		
A-7610-87-41-4103	AUTO/TRAVEL MEALS						100		
A-7610-87-41-4104	AUTO/TRAVEL MILEAGE/TOLLS								140
A-7610-87-R1972-R392	AGING PROGRAM POINT OF ENTRY PROGRAM				47,983				
A-7610-87-R3772-R392	ST AID AGING PROGRAM NYCONNECTS	47,983							
A-7610-88-40-4005	CONTRACT DIETICIAN/NUTRITIONIST SERVICES							750	
A-7610-88-40-4005	CONTRACT DIETICIAN/NUTRITIONIST SERVICES						3,000		3,000
A-7610-88-41-4107	AUTO/TRAVEL VOLUNTEER/CLIENT								
A-7610-88-41-4109	AUTO/TRAVEL CO FLEET CHARGEBACK						750		
A-7610-89-41-4103	AUTO/TRAVEL MEALS						45		45
A-7610-89-42-4204	OFFICE POSTAGE							25	
A-8810-45-4549	SPEC DEPT SUPPLY SAFETY								25
A-8810-47-4710	DEPT MISC/OTHER								600
A-9901-90-9001	TRANSFERS COUNTY ROAD								
General Fund Totals		509,131	602,200	139,327	232,396	1,400	1,400	1,400	1,400
Solid Waste Fund Totals		0	0	0	0	1,400	1,400	1,400	1,400
D-3310-45-4511	SPEC DEPT SUPPLY PAINT - TRAFFIC						16,500		
D-3310-45-4512	SPEC DEPT SUPPLY GLASS BEADS								16,500
D-3310-47-4702	DEPT EQUIP SERVICE/REPAIRS						500		
D-5020-42-4204	OFFICE POSTAGE							75	
D-5020-43-4301	COMPUTER SUPPLIES								75
D-5110-45-40-4038	CONTRACT CONSTRUCTION								453,000

August 2012
 Modifications to the 2012 Sullivan County Budget

Account Code	Account Description	Revenue Increase	Revenue Decrease	Appropriation Increase	Appropriation Decrease
D-5110-45-45-4505	SPEC DEPT SUPPLY BLDG/PROP MAINTENANCE			75	
D-5110-45-45-4516	SPEC DEPT SUPPLY POSTS, NUTS, BOLTS				950
D-5110-45-45-4520	SPEC DEPT SUPPLY TRUE/LEVELING PATCH				600
D-5110-45-45-4531	SPEC DEPT SUPPLY WATERPROOFING			1	
D-5110-45-45-4532	SPEC DEPT SUPPLY SEED/MULCH ETC			450	
D-5110-45-45-4532	SPEC DEPT SUPPLY SEED/MULCH ETC			75	
D-5110-45-45-4532	SPEC DEPT SUPPLY SEED/MULCH ETC			750	
D-5110-45-45-4548	SPEC DEPT SUPPLY ELECTRICAL/PLUMBING			450	
D-5110-45-47-4701	DEPT RENTALS				750
D-5110-45-47-4701	DEPT RENTALS				75
D-5110-45-47-4701	DEPT RENTALS				76
D-5110-45-47-4710	DEPT MISC/OTHER				450
D-5110-46-40-4038	CONTRACT CONSTRUCTION			453,000	
D-5110-46-45-4501	SPEC DEPT SUPPLY MISC/OTHER				50
D-5110-46-45-4520	SPEC DEPT SUPPLY TRUE/LEVELING PATCH			5,000	
D-5110-46-45-4523	SPEC DEPT SUPPLY REINFORCING STEEL				5,000
D-5110-46-45-4526	SPEC DEPT SUPPLY PAINT			50	
D-5110-47-40-4038	CONTRACT CONSTRUCTION				7,500
D-5110-47-45-4501	SPEC DEPT SUPPLY MISC/OTHER				85,000
D-5110-47-45-4521	SPEC DEPT SUPPLY CULVERT PIPE			85,000	
D-5110-47-45-4527	SPEC DEPT SUPPLY MISC STONE			7,500	
D-5142-10-1011	PERSONAL SERV REGULAR PAY				50,000
D-5142-10-1012	PERSONAL SERV OVERTIME PAY			10,000	
D-5142-45-4534	SPEC DEPT SUPPLY SAND ICE CONTROL				5,000
D-5142-45-4546	SPEC DEPT SUPPLY ROAD SALT				192,201
D-9998-R2302-R146	SNOW REMVL SERV OTHR GOV COLLEGE		15,191		
D-9998-R2302-R235	SNOW REMVL SERV OTHR GOV LOCAL GOVERNMENT		222,010		
D-9998-R5031-R209	INTERFUND TRANSFER GENERAL FUND		600		
County Road Fund Totals		0	237,801	579,426	817,227
DM-5130-48-21-2103	FIXED MACHINERY/EQUIPMENT				3,600
DM-5130-48-42-4204	OFFICE POSTAGE			20	
DM-5130-48-42-4205	OFFICE PRINTING				20

August 2012
 Modifications to the 2012 Sullivan County Budget

Account Code	Account Description	Revenue		Revenue		Appropriation		Appropriation	
		Increase	Decrease	Increase	Decrease	Increase	Decrease	Increase	Decrease
DM-5130-48-45-4524	SPEC DEPT SUPPLY LUMBER					200			
DM-5130-48-47-4702	DEPT EQUIP SERVICE/REPAIRS					3,600			
DM-5130-48-47-4717	DEPT BLDG/PROP REPAIRS					3,000			
DM-5130-49-45-4530	SPEC DEPT SUPPLY HARDWARE/MISC SUPPLY							200	
DM-5130-49-45-4540	SPEC DEPT SUPPLY PARTS/FLUIDS/FILTERS							3,000	
DM-5130-49-45-4548	SPEC DEPT SUPPLY ELECTRICAL/PLUMBING					400			
DM-5130-49-47-4779	DEPT BLDG/PROP MAINTNCE SERVICES							400	
Road Machinery Fund Totals				0	0	7,220	0	7,220	400



**COUNTY OF SULLIVAN
LEGISLATIVE
MEMORANDUM**

TO: Management and Budget Committee
 FROM: Monica Farquhar Brennan
 TITLE: Director of Risk Management and Insurance
 DEPARTMENT: Risk Management and Insurance

COMMITTEE WITH JURISDICTION

Check all that apply	<input type="checkbox"/>	Community Development & Planning	<input type="checkbox"/>	Public Safety	<input type="checkbox"/>	Health & Family Services
	<input checked="" type="checkbox"/>	Management & Budget	<input type="checkbox"/>	Executive Committee	<input type="checkbox"/>	Government Services
	<input type="checkbox"/>	Public Works	<input type="checkbox"/>	Real property	<input type="checkbox"/>	Veterans
	<input type="checkbox"/>	Personnel				

SUBJECT OF RESOLUTION: Workers' Compensation
 PURPOSE OF RESOLUTION: Apportion Costs
 DATE OF FIRST SUBMISSION: August 16, 2012
 BRIEF DESCRIPTION: Annual Resolution apportioning cost of Workers' Compensation Program for the year 2013
 Costs to Other County Programs:

Mandated Budgeted Budget Revision Necessary

FINAL IMPACT:

Projection:	YR1	YR2	YR3	YR4
County Cost	\$2,492,304.00			
State Funds				
Federal Funds				
Other	\$2,398,195.00			
Total	\$4,890,499.00			

If NONE, check here:

**RESOLUTION INTRODUCED BY THE MANAGEMENT AND BUDGET COMMITTEE
RESOLUTION TO APPORTION COST OF THE COUNTY SELF-INSURANCE PLAN AND
LEVYING TAXES THEREFORE**

WHEREAS, the Risk Management & Insurance Department (“Risk Management”) hereby files a report by which it has estimated that the sum of \$4,890,499.00 will be necessary for the calendar year 2013 to meet the payments and expenses of the Workers’ Compensation Self - Insurance Plan; and

WHEREAS, Risk Management has determined the share of such estimated amount chargeable to each participant of the County Workers’ Compensation Self Insurance Plan as provided by Local Law No. 5-1979, as well as provisions of the Workers Compensation Law; and

WHEREAS, the amount chargeable to each participant of the County Workers’ Compensation Self-Insurance Plan is detailed on the Self Insurance Fund Charges, attached hereto as Appendix I and by this reference made a part hereof; and

WHEREAS, the total amount of \$4,890,499.00 to be raised for the 2013 calendar year was calculated as detailed in the Estimate of Expenses to run the Self Funded Workers’ Compensation Plan for Sullivan County, attached hereto as Appendix II and by this reference made a part hereof; and

WHEREAS, Appendix I and Appendix II shall collectively be considered Risk Management’s 2013 calendar year’s report for the funding estimate and participant apportionment costs for the County’s Workers’ Compensation Self-Insurance Plan,
(Risk Management’s 2013 Plan)

NOW, THEREFORE, BE IT RESOLVED, the Sullivan County Legislature hereby adopts Risk Management’s 2013 Plan and directs that the amount set opposite the name of each participant on Appendix I of the County Workers’ Compensation Self - Insurance Plan be apportioned and charged to each respectively; with such amount so apportioned to the County and the Towns be levied and raised by tax in the next annual tax levy against the taxable property of the County and the Towns and such amount apportioned to the Villages to be directly billed to the Villages by Risk Management; and

BE IT FURTHER RESOLVED, that the amount apportioned to the County and the Towns shall be collected by inclusion in the next succeeding tax levy of each Town, and that when collected such amount shall be paid by the respective tax collectors to the County Treasurer, said amounts to be credited to the County Workers’ Compensation Self - Insurance Fund and the amount billed to the Villages shall be paid directly to the Sullivan County Treasurer.

Moved by _____,
Seconded by _____,
and adopted on motion _____, 2013

2013 SELF-INSURANCE PLAN
FUND CHARGES

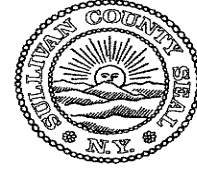
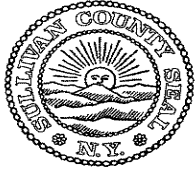
PARTICIPANTS		SHARE
County	of Sullivan	\$2,492,304.00
TOWNS		
Town of	Bethel	\$163,153.00
Town of	Callicoon	\$147,621.00
Town of	Cochecton	\$27,775.00
Town of	Delaware	\$42,400.00
Town of	Fallsburg	\$423,944.00
Town of	Forestburgh	\$59,865.00
Town of	Fremont	\$62,753.00
Town of	Highland	\$59,642.00
Town of	Liberty	\$132,847.00
Town of	Lumberland	\$78,328.00
Town of	Mamakating	\$246,228.00
Town of	Neversink	\$138,116.00
Town of	Rockland	\$117,761.00
Town of	Thompson	\$268,282.00
Town of	Tusten	\$46,348.00
VILLAGES		
Village of	Jeffersonville	\$5,837.00
Village of	Liberty	\$46,837.00
Village of	Monticello	\$235,825.00
Village of	Woodridge	\$80,557.00
Village of	Wurtsboro	\$14,076.00
TOTAL		\$4,890,499.00

APPENDIX I

2013 ESTIMATE OF EXPENSES TO RUN THE SELF FUNDED WORKERS' COMPENSATION PLAN FOR SULLIVAN COUNTY

Indemnity	\$2,046,591.00
Medical	\$1,385,808.00
Medicare Reimbursement Expense @ 6.5%	\$90,078.00
Expense	\$1,160,000.00
Total	\$4,682,477.00
Less Recoveries	\$200,000.00
Total Net Claim Cost Estimate	\$4,482,477.00
M1710 Administrative Costs	\$408,022.00
Estimate for Expenses of the Plan; including Indemnity; Medical; Expense; Recoveries; Administrative Costs; and/or any other expenses of the Plan	
Total	\$4,890,499.00
Amount to Request for Plan Year 2013	\$4,890,499.00
Amount Requested for Plan Year 2012	\$4,699,332.00
Dollar Amount over Last Year	\$191,167.00
% Increase/Decrease Over Last Year	4.07%

APPENDIX II



**COUNTY OF SULLIVAN
LEGISLATIVE
MEMORANDUM**

TO: Management and Budget Committee
 FROM: Joshua Potossek
 TITLE: Deputy County Manager/Commissioner of Management & Budget
 DEPARTMENT: Management and Budget

COMMITTEE WITH JURISDICTION

Check all that apply		Community Development & Planning		Public Safety		Health & Family Services
	X	Management & Budget		Executive Committee		Government Services
		Public Works		Real property		Veterans
		Personnel				

SUBJECT OF RESOLUTION: Capital Plan
 PURPOSE OF RESOLUTION: Amend Capital Plan
 DATE OF FIRST SUBMISSION: August 16, 2012
 BRIEF DESCRIPTION: Amend the Capital Plan for the Sullivan County Sheriff's Office
 Costs to Other County Programs:

Mandated Budgeted Budget Revision Necessary

FINAL IMPACT:

Projection:	YR1	YR2	YR3	YR4
County Cost				
State Funds				
Federal Funds	\$32,000.00			
Other				
Total	\$32,000.00			

If NONE, check here:

RESOLUTION INTRODUCED BY MANAGEMENT AND BUDGET COMMITTEE TO AMEND THE CAPITAL PLAN FOR THE SHERIFF'S OFFICE

WHEREAS, the Sheriff's Office has requested a budget modifications to the road patrol budget that requires a capital amendment; and

WHEREAS, the Sheriff desires to use available Federal Homeland Security funds to purchase All-Terrain-Vehicles; and

WHEREAS, there is a need to amend the 2012 Capital Budget.

NOW, THEREFORE, BE IT RESOLVED, that the Legislature of the County of Sullivan, hereby amends the adopted Capital Plan in accordance with Section C2.02(N) of the Sullivan County Charter, upon a two-thirds vote of the membership thereof as follows:

1. Increase the Sheriff's Patrol fixed automotive equipment account by \$32,000 to be funded from Federal Homeland Security funds.

2. Increase Expense Account A3110-29-21-2105 (Sheriff Patrol – Fixed Automotive Equipment)

\$32,000

- Increase Revenue Account A3110-29-R4320-R232 (Sheriff Patrol – Federal Aid Law Enforcement)

\$32,000



**COUNTY OF SULLIVAN
LEGISLATIVE
MEMORANDUM**

TO: Management and Budget Committee
 FROM: Joshua Potossek
 TITLE: Deputy County Manager/Commissioner of Management & Budget
 DEPARTMENT: Management and Budget

COMMITTEE WITH JURISDICTION

Check all that apply		Community Development & Planning		Public Safety		Health & Family Services
	X	Management & Budget		Executive Committee		Government Services
		Public Works		Real property		Veterans
		Personnel				

SUBJECT OF RESOLUTION: Sullivan County Community College
 PURPOSE OF RESOLUTION: Adopt Budget
 DATE OF FIRST SUBMISSION: August 16, 2012
 BRIEF DESCRIPTION: Adoption of the 2012-2013 SCCC Budget
 Costs to Other County Programs:
 Mandated Budgeted Budget Revision Necessary

FINAL IMPACT:

Projection:	YR1	YR2	YR3	YR4
County Cost	\$4,000,000.00			
State Funds				
Federal Funds				
Other				
Total	\$4,000,000.00			

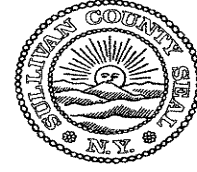
If NONE, check here:

**RESOLUTION INTRODUCED BY MANAGEMENT AND BUDGET COMMITTEE TO
ADOPT THE 2012-2013 SULLIVAN COUNTY COMMUNITY COLLEGE BUDGET**

WHEREAS, the Sullivan County Community College Board of Trustees has filed its 2012-2013 Operating Budget with the Sullivan County Legislature, and

WHEREAS, the proposed Budget for 2012-2013 has appropriations in the amount of \$17,316,432 with the County's share to be raised by tax revenue in the amount of \$4,000,000; and

NOW THEREFORE BE IT RESOLVED, that the 2012-2013 Operating Budget be approved in the amount of \$17,316,432 and the County's share to be levied and assessed against the taxable real property of Sullivan County on the 2013 tax rolls at \$4,000,000.



**COUNTY OF SULLIVAN
LEGISLATIVE
MEMORANDUM**

TO: Management and Budget Committee
 FROM: Joshua Potossek
 TITLE: Deputy County Manager/Commissioner of Management & Budget
 DEPARTMENT: Management and Budget

COMMITTEE WITH JURISDICTION

Check all that apply		Community Development & Planning		Public Safety		Health & Family Services
	X	Management & Budget		Executive Committee		Government Services
		Public Works		Real property		Veterans
		Personnel				

SUBJECT OF RESOLUTION: 2011 Audit
 PURPOSE OF RESOLUTION: Corrective Action Plan
 DATE OF FIRST SUBMISSION: August 16, 2012
 BRIEF DESCRIPTION: Approve the corrective action plan for the 2011 audit
 Costs to Other County Programs:
 Mandated Budgeted Budget Revision Necessary

FINAL IMPACT:

Projection:	YR1	YR2	YR3	YR4
County Cost				
State Funds				
Federal Funds				
Other				
Total				

If NONE, check here:

RESOLUTION INTRODUCED BY MANAGEMENT AND BUDGET COMMITTEE TO APPROVE A CORRECTIVE ACTION PLAN FOR THE 2011 MANAGEMENT LETTER ASSOCIATED WITH THE 2011 COMPREHENSIVE ANNUAL FINANCIAL REPORT

WHEREAS, the County's outside auditing firm has completed the 2011 financial audit and provided their management letter to the Management & Budget Committee, and

WHEREAS, the Commissioner of the Division of Management and Budget has formulated the attached corrective action plan to fix the problems listed in the management letter.

NOW THEREFORE, BE IT RESOLVED, that the Sullivan County Legislature hereby approves the attached corrective action plan.

Corrective Action Plan for 2011 Fiscal Year Audit

This document outlines actions the County will take or has already begun to undertake, to correct the internal control matters identified in the Management Letter prepared by the County's external auditor, O'Connor Davies, LLP.

Audit Period: For the year ended December 31, 2011.

Capital Projects Fund

Finding:

A lack of financial activity in a capital project over an extended period of time may be an indication of the project's completion. Our review of the Capital Projects Fund indicated that several projects have been inactive for periods in excess of one year. These projects represent a combined fund balance in excess of \$1 million at December 31, 2011. Upon determination that a capital project has been completed, the governing board should pass a resolution indicating this status and directing the disposition of the unexpended proceeds. If the unexpended balance of the project consists of monies provided from obligation or in certain instances, State of Federal grants, its use will be restricted to the payment of outstanding indebtedness. If the remaining balance consists of a return of a contribution from an operating fund, it should be returned to that fund to be used for any lawful purpose.

Recommendation:

We suggest that, although the County did close out several projects in the prior year, another review of these seemingly inactive capital projects be undertaken to determine the status of completion and the proper disposition of available funds.

Corrective Action:

The Office of Management and Budget, the County Treasurer's Office, and the Department of Public Works reviewed all of the existing capital accounts during the spring of 2011. As a result of the review, six capital accounts were closed through adoption of Resolution 233 of 2011. All of the other existing capital accounts are being utilized for ongoing projects.

The Office of Management and Budget will continue to work with the Treasurer's Office and the Department of Public Works on a yearly basis to review and recommend capital accounts for closure where appropriate.

Corrective Action Plan for 2011 Fiscal Year Audit

Budgetary Compliance

Finding:

Our audit disclosed a few instances where certain General Fund expenditures, some the result of year end accounting accruals, resulted in expenditures exceeding budgeted appropriations.

Recommendation:

We suggest that the County try to estimate the impact of these year end accruals, so as not to exceed budgetary authorizations.

Corrective Action:

The Budget Office will work with all departments to factor in twelve month yearend accruals when submitting their yearend budget modifications. While there were certain instances of lines being over budget, overall general fund expenditures were \$4.33 million less than the amended budget.

Capital Asset Reporting

Finding:

The Sullivan County Community College is reflected in the County's financial statements as a discretely presented component unit. A separate audit and financial statement are prepared for the College. In that statement, capital assets (land, buildings, infrastructure and equipment) are reported on its balance sheet but are disclosed in the notes to the financial statements as "assets made available to the College". This is because title to real property of the College vests with the County and bonds and notes for the College related to capital construction costs are issued by the County and are County debt. Therefore, when the College's financial information is incorporated into the County's financial statements, a conversion needs to be made to reflect its balance sheet without the capital assets and related debt. These capital assets would then be reported as part of the assets of the County within the governmental activities column on the Statement of Net Assets. This conversion was not performed, resulting in the duplication of certain assets reported in governmental activities, as well as in the component unit financial statements.

Corrective Action Plan for 2011 Fiscal Year Audit

Recommendation:

We suggest that finance personnel at both the County and the College develop a methodology to convert the College's financial information into a format that presents the capital assets properly, so as to avoid duplication.

Corrective Action:

The County and College began the process of reconciling their respective fixed asset schedules during the year. We were unable to complete the process during 2011. The County fiscal staff will work with the Sullivan County Community College fiscal staff to analyze and determine the best methodology and protocol to incorporate the fixed assets listed on the College's financial statement into the County's financial statement.

Refuse and Garbage

Finding:

The Refuse and Garbage Fund is used to account for the activity of the County's solid waste operations. The primary revenue source is the fees charged to dispose of waste at the facility, or tipping fees. The tipping fees billed and collected are tracked in a software program that is not integrated with the County's general ledger accounting system. In performing our audit procedures related to the recording of tipping fees in the books and records, we noted that a reconciliation of the tipping fee activities to the general ledger is only performed at year end.

Recommendation:

To strengthen the internal control over the billing and collection of tipping fees, we recommend that quarterly, if not, monthly reconciliations are performed of the tipping fees to the general ledger.

Corrective Action:

The County Treasurer's Office is implementing a process to reconcile the Refuse & Garbage Waste Works System to the New World Financial Software on a quarterly basis, at minimum.



Budget by Function Report

Through 06/30/11
Prior Fiscal Year Activity Included
Summary Listing

Function	Sub Function	Adopted Budget	Budget Amendments	Amended Budget	Current Month Transactions	YTD Encumbrances	YTD Transactions	Budget - YTD Transactions	% used/ Rec'd	Prior Year Total
Fund A - GENERAL										
REVENUE										
5 - General Government support		55,527,303.00	(942,500.00)	54,584,803.00	5,362,387.61	.00	70,919,621.97	(16,334,818.97)	130	103,696,705.69
15 - Public Safety		1,950,450.00	364,451.00	2,314,901.00	183,852.09	.00	662,392.22	1,652,508.78	29	2,395,870.59
20 - Health		19,144,451.00	(349,777.00)	18,794,674.00	1,998,204.84	.00	1,230,046.78	17,564,627.22	7	17,862,974.32
25 - Transportation		410,679.00	1,060.00	411,739.00	18,766.66	.00	60,822.69	350,916.31	15	463,748.62
30 - Economic Assistance & Opportunity		24,285,638.00	1,963,838.00	26,249,476.00	335,037.40	.00	(479,512.10)	26,728,988.10	-2	28,979,619.35
35 - Culture & Recreation		1,628,374.00	(15,297.00)	1,613,077.00	69,136.41	.00	517,550.36	1,095,526.64	32	1,609,178.88
40 - Home & Community Services		31,402.00	40,000.00	71,402.00	.00	.00	1.50	71,400.50	0	30,573.74
REVENUE TOTALS		\$102,978,297.00	\$1,061,775.00	\$104,040,072.00	\$7,967,385.01	\$0.00	\$72,910,923.42	\$31,129,148.58	70%	\$155,038,671.19
EXPENSE										
5 - General Government support		28,320,381.00	(3,681,437.00)	24,638,944.00	2,106,202.67	417,463.60	13,668,509.44	10,552,970.96	57	23,022,036.67
10 - Education		5,550,000.00	(200,000.00)	5,350,000.00	416,361.08	.00	2,614,626.63	2,735,373.37	49	5,509,250.37
15 - Public Safety		21,424,566.00	1,006,140.00	22,430,706.00	1,443,642.98	537,237.64	7,915,790.55	13,977,677.81	38	21,900,278.16
20 - Health		24,322,401.00	216,983.00	24,539,384.00	2,265,175.01	77,269.54	7,411,093.96	17,051,020.50	31	22,938,753.67
25 - Transportation		1,261,376.00	67,566.00	1,328,942.00	79,696.45	10,095.64	519,591.26	799,255.10	40	1,420,215.43
30 - Economic Assistance & Opportunity		54,351,417.00	1,076,704.00	55,428,121.00	4,009,823.85	54,343.04	21,175,153.83	34,198,624.13	38	53,135,383.07
35 - Culture & Recreation		3,320,545.00	130,690.00	3,451,235.00	257,792.50	18,084.19	1,155,600.18	2,277,550.63	34	3,108,254.75
40 - Home & Community Services		1,519,708.00	(11,488.00)	1,508,220.00	263,578.06	5,405.00	555,229.91	947,585.09	37	1,636,912.51
42 - Debt Service		607,059.00	.00	607,059.00	.00	.00	577,132.85	29,926.15	95	688,731.08
43 - Transfers		14,087,189.00	1,613,088.00	15,700,277.00	.00	.00	13,270,119.41	2,430,157.59	85	17,070,814.84
EXPENSE TOTALS		\$154,764,642.00	\$218,246.00	\$154,982,888.00	\$10,842,272.60	\$1,119,898.65	\$68,862,848.02	\$85,000,141.33	45%	\$150,430,630.55
Fund A - GENERAL Totals										
REVENUE TOTALS		102,978,297.00	1,061,775.00	104,040,072.00	7,967,385.01	.00	72,910,923.42	31,129,148.58	70	155,038,671.19
EXPENSE TOTALS		154,764,642.00	218,246.00	154,982,888.00	10,842,272.60	1,119,898.65	68,862,848.02	85,000,141.33	45	150,430,630.55
Fund A - GENERAL Totals		(\$51,786,345.00)	\$843,529.00	(\$50,942,816.00)	(\$2,874,887.59)	(\$1,119,898.65)	\$4,048,075.40	(\$53,870,992.75)		\$4,608,040.64
Grand Totals										
REVENUE TOTALS		102,978,297.00	1,061,775.00	104,040,072.00	7,967,385.01	.00	72,910,923.42	31,129,148.58	70	155,038,671.19
EXPENSE TOTALS		154,764,642.00	218,246.00	154,982,888.00	10,842,272.60	1,119,898.65	68,862,848.02	85,000,141.33	45	150,430,630.55
Grand Totals		(\$51,786,345.00)	\$843,529.00	(\$50,942,816.00)	(\$2,874,887.59)	(\$1,119,898.65)	\$4,048,075.40	(\$53,870,992.75)		\$4,608,040.64

2012 Second Quarter Budget Update

Management and Budget Committee August 16th, 2012

Expenses

Through the first quarter of 2012 general fund expenses totaled \$82,332,257.76, which represents 52% of the 2012 amended budget. Through the first quarter of 2011 general fund expenses equaled 45% of the 2011 Amended Budget. The 7% difference in expenditures from 2011 to 2012 can be explained by the following significant expenses booked in the first half of 2012 but not in the first half of 2011:

- **Indirect Cost Allocation:** The full year indirect cost allocation expense has been posted in 2012. This expense was not posted in the first quarter in 2011. This expense equals \$2.4 million
- **Maintenance in Lieu of Rent:** The full year MILOR expense has been posted in 2012. This expense was not posted in the first half of 2011. This expense equals \$1.8 million.
- **Medicaid Expenses:** There was a \$1.1 million IGT payment made in the first half of 2012 that was not booked in the first half of 2011. 2011 also recorded lower weekly Medicaid payments associated with the Federal Stimulus program (FMAP). These two items combined result in \$2.5 more in expenses than in 2011.
- **Contribution to Community College:** We have made payments of \$3.3 million in the first half of 2012 versus \$2 million in the first half of 2011, for a difference of \$1.3 million.
- **Transfers from General Fund to other funds:** The General fund has transferred \$3 million more to other funds in the first half of 2012 versus the first half of 2011.
- **Contracts for Mental Health:** Due to timing differences there has been \$876k more payments for mental health contracts in the first half of 2012 versus the first half of 2011.

These items equate to \$11.9 million in extra expense to the general fund in 2012 as compared to 2011.

For purposes of comparing the first half of 2012 to the first half of 2011 the above expenses are subtracted from total expenditures. This results in 2012 first half expenses at 44% of the 2012 Amended Budget.

Revenues

County revenues for the first half of 2012 total \$85,296,897, which represents 84% of the budgeted revenue for the year. The revenues that have been booked include the real property tax levy. Revenue received from sources other than the property tax levy equals \$35,326,018. This represents 35% of the budgeted revenue for the year. This is a typical percentage of revenue recorded at this time of year due to the timing of revenues received, primarily in our mandated and grant funded reimbursable programs. The cash we receive in the first quarter of 2012 is mostly attributed to the prior fiscal year, because the revenue is reimbursement for expenses that were incurred during 2011. In 2011 we had recorded

\$24,226,191 of non property tax levy revenue in the first half of the year. This represented 23% of the budgeted revenue for the year.

Major Non-Departmental Revenue

Sales Tax – Adopted Budget \$33 million

We have collected \$16,896,653.11 in sales tax through first payment in August of 2012. This is an increase of \$639,927.19 over 2011 collections, through the same time period, and represents a 3.94% increase. If we continue to realize collections at this trend we would collect approximately \$34.2 million for the full year. Collecting the same amounts as 2011 through the end of the year would result in collections of approximately \$33.55 million. This is the most sales tax we have collected through July since 2009. However, collections through this point in the year are not always a reliable indicator of year end totals. Month to month sales tax receipts can vary widely and full year estimates cannot be reliably estimated until the third quarters is complete.

Interest and Penalties – Adopted Budget \$4.5 million

Interest and Penalties revenue has been steadily increasing since 2008. More property owners are participating in the installment purchase program which has resulted in the increase in revenue. The county received \$5,080,843 in revenue during 2011. We have collected \$3,910,607 during the first half of 2012 as compared to \$4,150,206 during the first half of 2011. We are trending below 2011 levels but above the adopted budget of \$4,500,000.

Off Track Betting – Adopted Budget \$350,000

OTB revenue has been on a steady decline since 2008. In 2008 we received \$697,269.48. In 2011 we received \$325,030.56. We have collected \$157,618 during the first half of 2012 as compared to \$125,704 during the first half of 2011. We are trending to receive slightly more than the 2011 receipts which would result in receipts approximating the revenue anticipation of \$350,000.

Mortgage Tax – Adopted Budget - \$525,000

Mortgage tax receipts continue to deteriorate along with the housing market regionally, and nationally. Mortgage tax receipts peaked in 2007 at \$1.8 million. The County received \$476,223.02 in 2011 and we are trending to receive below those levels in 2012. We have collected \$223,925 during the first half of 2012 as compared to \$233,548 during the first half of 2011. The summer months historically are the peak months for mortgage related activity so the receipts during those months will have to be closely watched and will be more predictive of year end receipts, but if this trend continues we will fall short of the \$525,000 in anticipated revenue.

Video Lottery Terminal Aid

The 2012-2013 New York State Budget has preserved the VLT aid to Sullivan County at 2011 levels. We received \$199,000, which is what is anticipated in the adopted budget.

Gain From Sale of Tax Acquired Property

Through the end of July \$964,477 has been recorded in the Gain from Sale of Tax Acquired Property Account. This account is used to record the real property auction proceeds that are received not including the monies received for taxes owed. This account is also used to record the proceeds of funds from the repurchase program. It is likely that this account will fall short of the \$1.25 million budgeted.

Programmatic areas to monitor throughout the year

DPW

Fuel Costs

Fuel prices increased significantly over the past year, but have moderated during the second half of this year. This is reflected in the price the county is paying for gasoline and diesel for transportation and for Fuel oil for heating our buildings. While fuel prices have spiked the relatively mild winter season has cushioned the impact of the price increases.

Gasoline: The average price paid for gasoline during 2011 was \$3.03 per gallon. The 2012 budget utilized an average price of \$3.08. Through the first half of 2012 the average price paid was \$3.15. The current price per gallon is \$2.77. If prices were to stabilize and remain at this level for the remained of the year we project a shortfall of \$15,419.

Diesel: The average price paid for diesel fuel during 2011 was \$3.30 per gallon. The 2012 budget utilized an average price per gallon of \$3.29. Through the first half of 2012 the average price paid was \$3.43. The current price per gallon is \$2.94. If prices were to stabilize and remain at this level for the remained of the year we project a shortfall of \$9,910.

Fuel Oil Large Tanks: The average price paid for heating fuel during 2011 was \$3.07 per gallon. The 2012 budget utilized an average price per gallon of \$2.98. Through the first half of 2012 the average price paid was \$3.29. The current price per gallon is \$2.73. If prices were to stabilize and remain at this level for the remained of the year we project a shortfall of \$9,522.

Fuel Oil Small Tanks: The average price paid for heating fuel during 2011 was \$3.38 per gallon. The 2012 budget utilized an average price per gallon of \$3.36. Through the first half of 2012 the average price paid was \$3.51. The current price per gallon is \$2.80. If prices were to stabilize and remain at this level for the remained of the year we project a surplus of \$1,954. The surplus is due to lower gallon usage despite the higher price.

Propane Large Tanks: The average price paid for propane during 2011 was \$1.87 per gallon. The 2012 budget utilized an average price per gallon of \$1.88. Through the first half of 2012 the average price

paid was \$1.50. The current price per gallon is \$1.11. If prices were to stabilize and remain at this level for the remained of the year we project a surplus of \$31,263.

Propane Small Tanks: The average price paid for propane during 2011 was \$1.92 per gallon. The 2012 budget utilized an average price per gallon of \$1.88. Through the first half of 2012 the average price paid was \$1.67. The current price per gallon is \$1.21. If prices were to stabilize and remain at this level for the remained of the year we project a surplus of \$26,915.

The current projected surplus in fuel costs, at current pricing, equals \$25,280. This figure will change as the price of fuels fluctuates throughout the year, and the severity of the temperature during the fall heating season will also impact costs based on usage.

Snow Removal

During 2011 the County spent \$1,225,581 on snow removal services, excluding the approximately \$978,000 spent on contract plowing with the towns. The contracts with the towns are fixed prices that do not fluctuate unless there is a severe winter with an abnormally high amount of callouts. In this scenario the towns would receive more than the contract amount. Through the first half of 2011 we spent \$941,810 on non contract items. Through the first half of 2012 we have spent \$616,931. If we assume a similar winter season for the end of 2012 as we had in 2011, then we would expect to spend \$941,769 in total for the year.

This would result in a surplus of \$159,464. \$50,000 was appropriated in July from Snow Removal accounts to cover the repair of the government center sidewalks, leaving a potential surplus of \$109,464.

Community Services

Criminal Inpatient Costs

Criminal Inpatient costs are State Mandated costs. They arise when a court mandates orders of commitment of persons to Mental Health hospitals for evaluation and/or treatment until they are judged competent to stand trial or be returned to our Jail. If they are found not competent they remain

Year	Annual Cost
2002	\$36,145.87
2003	\$110,728.04
2004	\$76,538.37
2005	\$61,223.58
2006	40,223.24
2007	\$163,269.35
2008	\$52,512.49
2009	\$3,711.38
2010	\$57,330.97
2011	\$497,816.56
2012	(Jan-Apr) \$148,082.01

in the Mental Health Hospital and are an expense to the County. If they are found competent they are then are returned to our Jail. The County is billed from the New York State Department of Health. We are responsible for 50% of the daily Mental Health Hospital cost, which varies by facility. Our 50% cost ranges from \$402 to \$516 per day. One person in a facility can cost over \$15,000 per month to the County. The 2012 Adopted Budget

appropriated \$100,000. We have been billed \$148,082.01 through the month of April. There have been four individuals placed through the end of April, two of which have been in the housed the entire period. The two housed for the four month period have cost the county approximately \$60,000 each.

Department of Family Services

SAFETY NET

The Safety Net Program is a State Program that provides benefits to single adults and childless couples

Month	2011 Clients	2012 Clients	Difference
January	645	672	27
February	660	664	4
March	666	662	(4)
April	660	659	(1)
May	704	683	(21)
June	645	724	79
July	639		
August	623		
September	635		
October	623		
November	649		
December	653		
Average per month	650	677	27

receiving public assistance and households with dependent children that have reached the five year lifetime limit on receipt of Temporary Assistance to Needy Families (TANF). The Safety Net program is a 71% local share cost. We currently have 79 more clients in the Safety Net Program than last year. We are seeing an uptick in costs related to the Substance Abuse Facilities and a downtick in the costs associated with the hotels/motels. At the current pace we are expecting a \$140,000 county share overage.

STATE TRAINING SCHOOLS and RESIDENTIAL PLACEMENTS

Residential Placements	Number of youth
June 2011	40
July 2011	40
August 2011	41
September 2011	39
October 2011	40
November 2011	39
December 2011	47
January 2012	50
February 2012	55
March 2012	56
April	55
May	55
June	51

Under this program youth are mandated to placement when they are determined in Family Court to be Juvenile Delinquents (JDs). They are mandated to the custody of OCFS and placed in their facilities by the Family Court Judge who hears the case. The Local District has no control over these placements.

A Family Court Judge can order a youth into a facility for a 30

day evaluation. The placements are 50% state and 50% local share. The cost per day is extremely high (\$1350/day currently).

Family Court Judges can also order PINS (Persons in Need of Supervision) youth into residential treatment centers. While not adjudicated as juvenile delinquents, these youth can be ordered into the care of the Commissioner of Social Services and placed.

Family Court Judges can also order a youth into longer term facilities run by OCFS. However, recently, State legislative changes are supporting closure of the state run facilities and the youth are being placed at residential treatment centers (RTCs). The Local District, again, has no control over these placements.

There has been a large increase in youth being placed in all residential programs during the past year. The large increase, if sustained throughout the year could result in a shortfall of approximately \$200,000 compared to the adopted budget.

While not know for certain at this time we are anticipating some additional unanticipated revenue through some cost shifts out of a child welfare TANF program into our FFFS program. This could result in an additional \$247,000 in revenue, which is more than enough to cover the Residential Placement cost increase.

FOSTER CARE

We received an extra \$185,000 in revenue that was not anticipated from the State from payments we made during Fiscal Year 2004. This unanticipated revenue is planned to be used to cover the overage projected in the Safety Net Program.

Jail - Prisoner Out-boarding

As you can see from the table below, our cost for prisoner out-boarding is highly variable. We are on pace to spend roughly \$100,000 for the year. There is a contingent appropriation of \$100,000 specifically budgeted for this purpose.

Year	Expense
2008	\$424,900
2009	\$63,765
2010	\$322,595
2011	\$99,635
2012	\$48,330 YTD

Community College Chargebacks

This account reflects tuition chargebacks made by the County to other in-state community colleges attended by Sullivan County residents. There are two components of the chargebacks the County pays to community colleges, operating and capital chargebacks. The 2012 Adopted budget for Community College Chargebacks is \$1.35 million. We have spent \$610,914 through the end of June 2012. We are on pace to approximately spend what we spent in 2011.

Year	Expense
2008	\$1,366,794
2009	\$1,516,407
2010	\$1,509,250
2011	\$1,317,421
2012	\$610,914 YTD

ACC

First half expenses are at 34.6% of budget. Revenues are at 27.5% of budget. The revenue figure is calculated without the \$2.8 million of IGT revenue received for comparison purposes. Occupancy rates are low but improving for the facility. The occupancy rate was 89.13% in March, up from 84.76% in January. For the first half of 2012 9% of the patients were private pay, 82% were Medicaid, and 9% were Medicare. The Adult Day Care program occupancy was at 92% in March, up from 67.9% in January.

Contingent Account Balance

Month	Monthly Appropriation	Balance	Description
Adopted Budget	\$0	\$2,000,000	Beginning Balance
January	(-) \$25,000	\$1,975,000	SASD Contract
February	(-) \$89,717	\$1,885,283	Health Insurance
March	\$0	\$1,885,283	No Appropriation
April	(+) \$46,308	\$1,931,591	RSVP Volunteer Travel & Room Tax
May	0	\$1,931,591	No Appropriation
June	0	\$1,931,591	No Appropriation
July	(-) \$35,000	\$1,896,591	SASD Contract
August	(-) \$50,000	\$1,846,591	Criminal In-Patient

Conclusion

At this point in the year and with available information, it appears that, overall, we are trending to come within budgetary appropriations. Sales tax receipts are trending higher and should cushion some of the decreases in other revenues such as the mortgage tax and off track betting revenue.

We will need to continue to monitor fuel prices and their impact to the DPW budget, Criminal Inpatient costs and their impact on the Community Services budget, and State Training Costs and their impact on

the DFS budget. It is anticipated that any significant overage in any of these areas can easily be accommodated with contingent appropriations.

Budget Amendments Proposed in August Budget Modification Resolution to Cover Expense Overages

Prisoner Housing

Increase Expense Account A3150-47-4751 (Jail – Prisoner Housing)	\$50,000
Decrease Expense Account A1989-99-47-4775 (Contingent – Public Safety)	\$50,000

Criminal In-Patient

Increase Expense Account A4320-40-47-4716 (CS MH Clinic – Criminal In-Patient)	\$50,000
Decrease Expense Account A1989-99-47-4736 (Contingent)	\$50,000

Property Taxes and the Tax Cap

Presentation to the Sullivan County
Legislature August 16, 2012

New York State Property Tax Cap

The NYS Property Tax Cap legislation was enacted in June, 2011.

The tax cap limits the annual increase in the property tax levy.

The 2012 Operating Budget was the first budget to be developed under the new legislation.

The Sullivan County 2012 tax levy remained within the tax cap.

Calculating the Tax Cap

To calculate a local government's tax cap, there are several items that are taken into consideration:

- Prior year's levy
- PILOT payments
- Tax base growth factor
- Levy growth factor (Lesser of 2% or CPI)
- Exclusions

The tax base growth factor is driven by the quantity change factor which reflects the percentage by which the full value of taxable real property has changed—for example, to adjust for an increase that is due to the addition of a new housing development.

Calculating the Tax Cap (cont.)

The levy growth factor limits the levy increase to the CPI or 2%, whichever is less.

Certain expenses are excluded from the tax cap, including:

- Court orders/Judgments exceeding 5% of the total tax levy from the prior year
- Pension costs exceeding an increase in the rate of contribution greater than 2%
- Costs associated with a transfer of local government functions, such as consolidation of services.

Tax Cap Calculation for 2012 Operating Budget

2011 Tax Levy		\$48,684,171.00
Tax Base Growth Factor	X	1.0041
		\$48,883,776.10
PILOTS in 2011	+	\$820,278.43
		\$49,704,054.53
Allowable Levy Growth	X	1.02
		\$50,698,135.62
Estimated PILOTS in 2012	-	\$820,278.43
2012 Tax Levy Cap		\$49,877,857.19

Overriding the Tax Cap

A local government can override the tax cap by passing a local law which indicates the intent to do so.

Such a local law must receive support from no less than 60% of the governing body.

- 6 of 9 votes are needed for the County to override the cap.

The local law would in no way obligate the governing body to exceed to tax cap upon final adoption of the budget, but gives them the option to do so.

2013 Tax Cap

The County must receive information from the State prior to being able to calculate the cap for the 2013 tax levy.

The levy growth factor was anticipated to be received in mid July (not yet received)

The tax base growth factor and pension exclusion will not be received until some time during the end of August to September.

Assuming a 2% Levy Growth and a 0% tax base growth, the County can raise an additional \$997,557 without exceeding the tax cap.

Expense and Revenue Issues 2013

Early projections indicate that future expenses are far outpacing growth of non-property tax revenues:

- \$897,006 increase for health insurance premiums
- \$4,157,964 increase for pension contribution (assumes no pension smoothing)
- \$600,000 increase in net contribution to college
- \$405,700 increase in Medicaid
- \$660,000 anticipated in sales tax growth
- \$450,000 decrease in net revenue gained from sales of tax acquired property

The figures above represent a net increase of \$5.85 million in County costs.

\$7.6 million of fund balance was utilized to balance the 2012 budget.

County Tax Impact to Property Owners

It is estimated that approximately 55% of overall property taxes is attributable to school taxes, with 25% attributable to towns and village taxes and 20% to County taxes. For instance, a property with a total tax bill of \$5,000 would pay \$2,750 in school taxes, \$1,250 in town/village taxes, and \$1,000 in County taxes. A 5% County tax increase would require an additional \$50.00 per year for this property owner.

County Tax Impact to Property Owners (cont.)

For every \$10,000 of assessed value, a property owner pays \$97.88 in County taxes under the current tax rate. The following table represents the impact of various tax increases on a property valued at \$100,000.

% Tax Increase	Impact to Tax Bill
Current tax rate	\$978.80
1% tax increase	\$9.79
5% tax increase	\$48.94
10% tax increase	\$97.88

Tax Cap and Mandate Relief

At the time that the tax cap legislation was deliberated, New York counties had advocated for mandate relief to be incorporated into the legislation, or to have separate legislation passed at the same time as the tax cap.

To date, the State has not provided the necessary relief from mandates to the Counties that would allow Counties to remain within the tax cap on a yearly basis.

Tax Cap and Mandate Relief (cont.)

In 2013, costs associated with State mandates are projected to increase by \$1.4 million.

In contrast, a 2% increase in the property tax levy would yield approximately \$1 million.

The State has implemented a cap that their own programs are unable accommodate.

An effective tax cap in the absence of mandate relief is unrealistic.