

**MANAGEMENT AND BUDGET COMMITTEE
THURSDAY, September 13, 2012 9:15 AM**

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

AGENDA

PRESENTATIONS:

1. Quarterly Budget Update – Joshua Potossek
2. NYS Tax Cap (PowerPoint)

DISCUSSIONS: None

RESOLUTIONS

AUDIT - None

COUNTY TREASURER –None

GRANTS- None

MANAGEMENT AND BUDGET

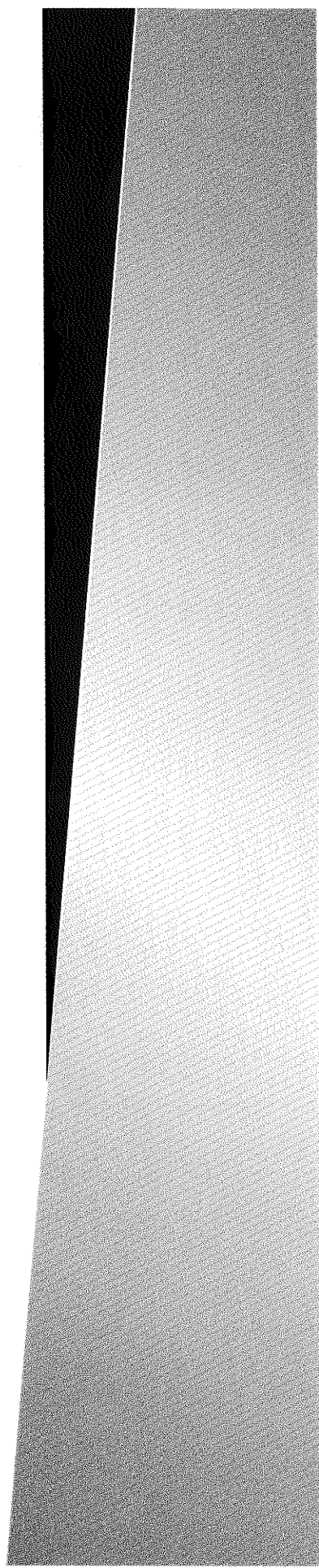
1. To modify the 2012 County Budget.
2. To amend Resolutions No. 247-08 and No. 480-09 to authorize Sullivan County Treasurer to sign contracts with Bond Counsel and Financial Advisor.
3. To approve Sullivan County Revolving Loans.
4. To apportion Mortgage Tax.
5. To re-authorize AFLAC, to enhance our existing Medical Care Expense Reimbursement (URM) and Dependent Daycare (DDC) programs for Sullivan County Employees.

MANAGEMENT INFORMATION SYSTEMS - None

PUBLIC COMMENT

Property Taxes and the Tax Cap

Presentation to the Sullivan County
Legislature August 16, 2012



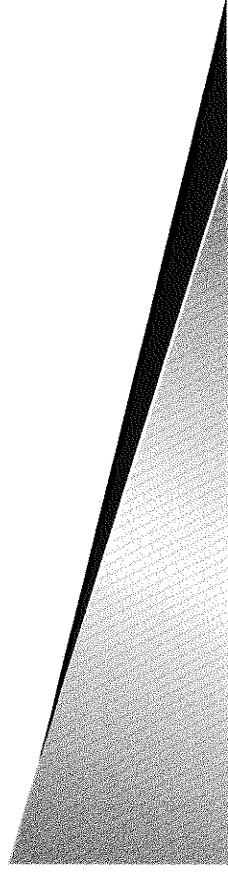
New York State Property Tax Cap

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.

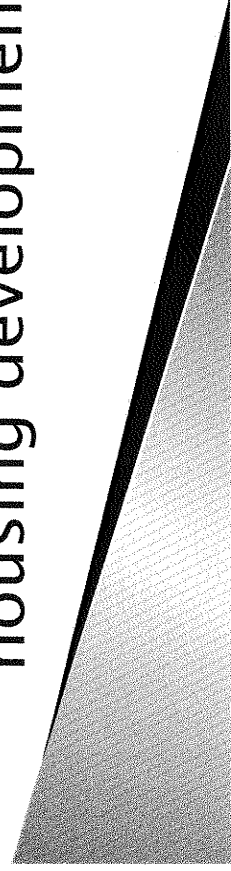


Calculating the Tax Cap

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.

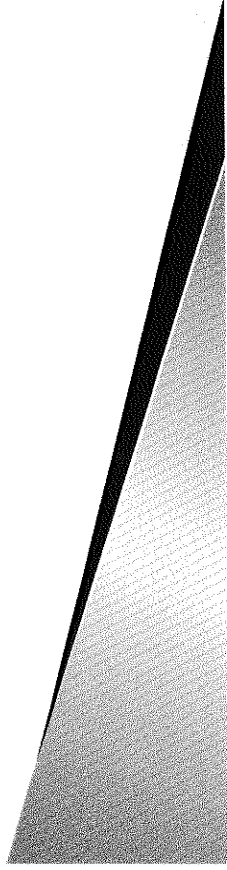


Calculating the Tax Cap (cont.)

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

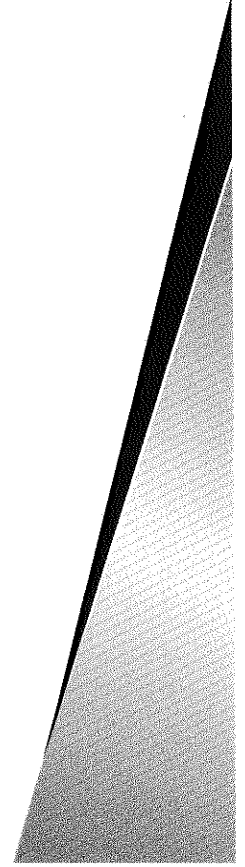
Certain expenses are excluded from the tax cap, including:

- 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



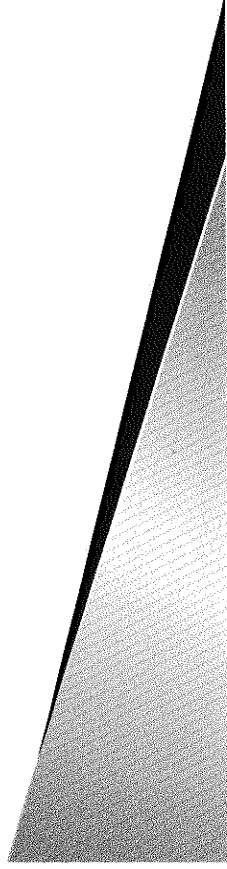
Overriding the Tax Cap

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.



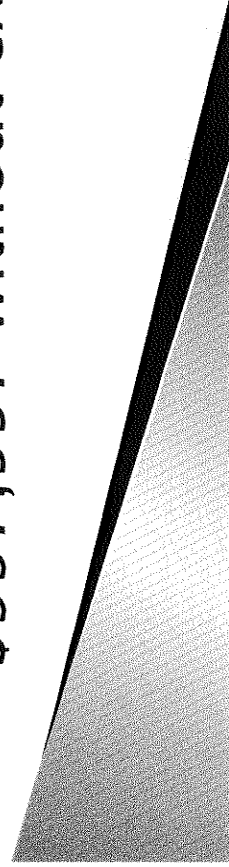
2013 Tax Cap

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.



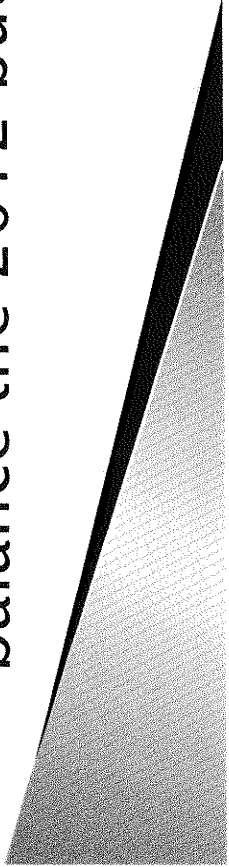
Expense and Revenue Issues 2013

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.

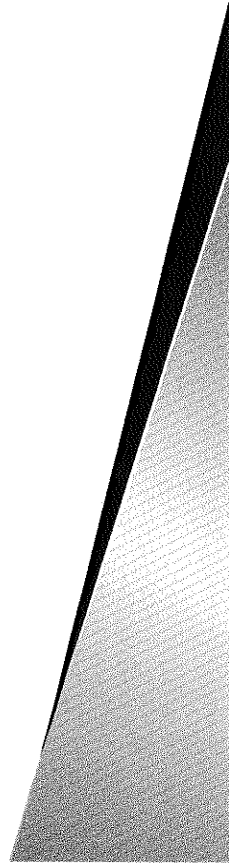


County Tax Impact to Property Owners

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.

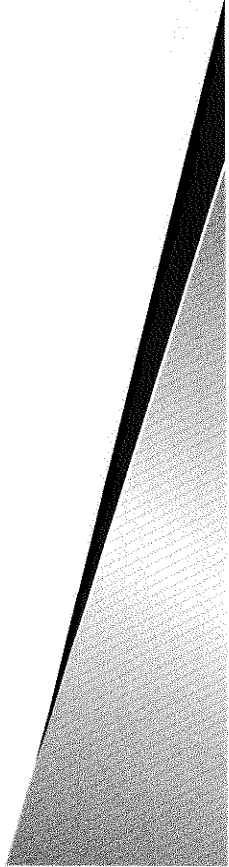
A 5% County tax increase would require an additional \$50.00 per year for this property owner.



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.

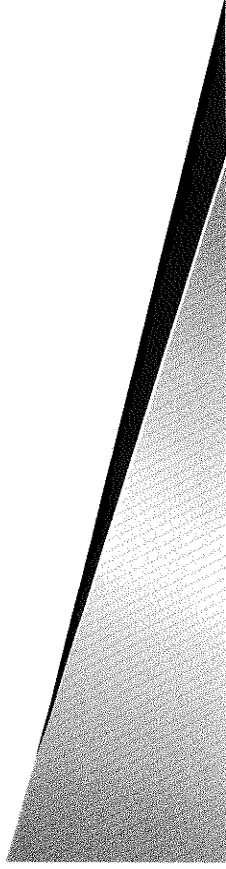
% Tax Increase	Impact to Tax Bill
Current tax rate	\$978.80
1% tax increase	\$9.79
5% tax increase	\$48.94
10% tax increase	\$97.88



Tax Cap and Mandate Relief

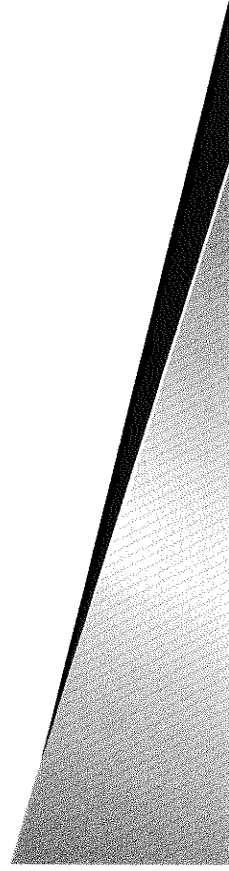
At the time that the tax cap legislation was deliberated, New York counties had advocated for mandate relief to be incorporated into the legislation, or to have separate legislation passed at the same time as the tax cap.

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.



**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:

September 2012
 Modifications to the 2012 Sullivan County Budget

Account Code	Account Description	Revenue		Appropriation	
		Increase	Decrease	Increase	Decrease
A-1165-47-4704	DEPT STENOGRAPHIC SERVICES			5,000	
A-1165-47-4705	DEPT COUNSEL/WITNESS EXPENSE				5,000
A-1410-10-42-4203	OFFICE OFFICE SUPPLIES				122
A-1410-10-42-4207	OFFICE FURNITURE			122	
A-1620-21-45-4540	SPEC DEPT SUPPLY PARTS/FLUIDS/FILTERS			35	
A-1620-21-47-4717	DEPT BLDG/PROP REPAIRS				35
A-1620-21-47-4717	DEPT BLDG/PROP REPAIRS				700
A-1620-21-47-4730	DEPT JANITORIAL EXPENSE			700	
A-1620-22-44-4401	UTILITY ELECTRIC				600
A-1620-22-45-4526	SPEC DEPT SUPPLY PAINT			75	
A-1620-22-45-4541	SPEC DEPT SUPPLY TOOLS			50	
A-1620-22-45-4548	SPEC DEPT SUPPLY ELECTRICAL/PLUMBING			525	
A-1620-22-47-4717	DEPT BLDG/PROP REPAIRS				50
A-1620-23-45-4532	SPEC DEPT SUPPLY SEED/MULCH ETC				350
A-1620-23-45-4540	SPEC DEPT SUPPLY PARTS/FLUIDS/FILTERS				250
A-1620-23-45-4541	SPEC DEPT SUPPLY TOOLS			100	
A-1620-23-45-4548	SPEC DEPT SUPPLY ELECTRICAL/PLUMBING			250	
A-1620-23-45-4549	SPEC DEPT SUPPLY SAFETY			250	
A-1620-23-47-4730	DEPT JANITORIAL EXPENSE			325	
A-1620-23-47-4779	DEPT BLDG/PROP MAINTNCE SERVICES				325
A-1620-24-45-4501	SPEC DEPT SUPPLY MISC/OTHER				25
A-1620-24-45-4540	SPEC DEPT SUPPLY PARTS/FLUIDS/FILTERS			500	
A-1620-24-45-4548	SPEC DEPT SUPPLY ELECTRICAL/PLUMBING			1,000	
A-1620-24-45-4548	SPEC DEPT SUPPLY ELECTRICAL/PLUMBING			7,000	
A-1620-24-46-4604	MISC SERV/EXP REAL ESTATE TAXES				1,500
A-1620-24-47-4717	DEPT BLDG/PROP REPAIRS				7,000
A-1620-24-47-4730	DEPT JANITORIAL EXPENSE			25	
A-1620-26-45-4530	SPEC DEPT SUPPLY HARDWARE/MISC SUPPLY			50	
A-1620-26-47-4779	DEPT BLDG/PROP MAINTNCE SERVICES				80
A-1620-27-47-4717	DEPT BLDG/PROP REPAIRS				80
A-1620-27-47-4766	DEPT CLEAN UP/BEAUTIFICATION			80	
A-3410-42-4203	OFFICE OFFICE SUPPLIES			3	

September 2012
 Modifications to the 2012 Sullivan County Budget

Account Code	Account Description	Revenue		Appropriation	
		Increase	Decrease	Increase	Decrease
A-3410-45-4506	SPEC DEPT SUPPLY PUBLIC SAFETY				3
A-4010-36-41-4102	AUTO/TRAVEL LODGING				1,012
A-4010-36-41-4103	AUTO/TRAVEL MEALS			1,512	500
A-4010-36-41-4109	AUTO/TRAVEL CO FLEET CHARGEBACK			200	
A-4010-37-42-4203	OFFICE OFFICE SUPPLIES			1,000	200
A-4010-37-45-4501	SPEC DEPT SUPPLY MISC/OTHER			470	
A-4050-45-4501	SPEC DEPT SUPPLY MISC/OTHER			500	1,470
A-4050-47-4702	DEPT EQUIP SERVICE/REPAIRS			50	
A-4020-47-4726	DEPT SECURITY EXPENSE				50
A-6293-41-4105	AUTO/TRAVEL REGISTRATION FEES				
A-6293-42-4201	OFFICE ADVERTISING				50
A-6293-47-4760	DEPT CLIENT EXPENSES				500
A-6293-47-4760	DEPT CLIENT EXPENSES				
A-6293-R1989-R313	ECONOMIC ASSIST TANF EMPLOY PROGRM	20,062			
A-6293-R1989-R313	ECONOMIC ASSIST TANF EMPLOY PROGRM		2,422		
A-6293-R4789-R329	FED AID OTHR ECONOMIC ASSIST WHEELS TO WORK	2,422			
A-6293-R4789-R329	FED AID OTHR ECONOMIC ASSIST WHEELS TO WORK		20,062		
A-7110-82-45-4501	SPEC DEPT SUPPLY MISC/OTHER			280	280
A-7110-82-45-4503	SPEC DEPT SUPPLY RECREATION				
A-7110-83-47-4720	DEPT LABORATORY/XRAY EXPENSE			45	45
A-7110-83-47-4779	DEPT BLDG/PROP MAINTNCE SERVICES				98
A-7450-202-42-4203	OFFICE OFFICE SUPPLIES			98	
A-7450-202-44-4405	UTILITY PHONE LAND LINES				70
A-7450-203-42-4203	OFFICE OFFICE SUPPLIES			70	
A-7450-203-44-4405	UTILITY PHONE LAND LINES				40
A-7520-42-4201	OFFICE ADVERTISING				
A-7450-42-4206	OFFICE PUBLICATIONS			40	
General Fund Total		22,484	22,484	20,355	20,355
CL-8160-43-4301	COMPUTER SUPPLIES			960	
CL-8160-47-4702	DEPT EQUIP SERVICE/REPAIRS			1,000	
CL-8160-47-4708	DEPT INSURANCE				960

September 2012
 Modifications to the 2012 Sullivan County Budget

Account Code	Account Description	Revenue		Appropriation		Appropriation Decrease
		Increase	Decrease	Increase	Decrease	
CL-8160-47-4767	DEPT NYS/US REGISTRY FEES/FINES/ASSESS	0	0	1,960		1,000
	Solid Waste Totals			1,960		1,960
D-3310-45-4512	SPEC DEPT SUPPLY GLASS BEADS					1,100
D-3310-45-4515	SPEC DEPT SUPPLY REFLECTIVE SHEETS			1,100		
D-5020-21-2106	FIXED ELECTRONIC/COMPUTER EQUIP			10,000		
D-5020-45-4501	SPEC DEPT SUPPLY MISC/OTHER					10,000
D-5110-45-45-4522	SPEC DEPT SUPPLY GUIDERAIL			11,225		
D-5110-45-47-4701	DEPT RENTALS					11,275
D-5110-45-47-4710	DEPT MISC/OTHER			50		
D-5110-47-45-4501	SPEC DEPT SUPPLY MISC/OTHER					7,000
D-5110-47-45-4522	SPEC DEPT SUPPLY GUIDERAIL			7,000		
	County Road Fund Totals	0	0	29,375		29,375
DM-5130-48-21-2105	FIXED AUTOMOTIVE EQUIPMENT					3,000
DM-5130-48-45-4530	SPEC DEPT SUPPLY HARDWARE/MISC SUPPLY			750		
DM-5130-48-45-4530	SPEC DEPT SUPPLY HARDWARE/MISC SUPPLY			100		
DM-5130-48-47-4702	DEPT EQUIP SERVICE/REPAIRS			3,000		
DM-5130-49-45-4530	SPEC DEPT SUPPLY HARDWARE/MISC SUPPLY					100
DM-5130-49-45-4540	SPEC DEPT SUPPLY PARTS/FLUIDS/FILTERS					750
	Road Machinery Fund Totals	0	0	3,850		3,850

RESOLUTION INTRODUCED BY THE MANAGEMENT AND BUDGET COMMITTEE TO AMEND RESOLUTIONS NO. 247-08 AND NO. 480-09 TO AUTHORIZE SULLIVAN COUNTY TREASURER TO SIGN CONTRACTS WITH BOND COUNSEL AND FINANCIAL ADVISOR

WHEREAS, the Sullivan County Treasurer on behalf of the County, has always had the assistance and advice of bond counsel and a financial advisor for the sale of bonds and notes, and

WHEREAS, the County Auditor has requested that the County Treasurer execute written agreements with said professionals in order to facilitate approval of their compensation following each sale, and

WHEREAS, Res. No. 247-08 approved agreements to facilitate the sale conducted by the County Treasurer in June, 2008, and Res. No. 480-09 approved agreements through July, 2012, and bond and note sales may continue every year.

NOW, THEREFORE, BE IT RESOLVED, the County Treasurer is hereby authorized to execute agreements with bond counsel and a financial advisor to cover all bond and note sales and related financial services from July, 2012 through July, 2014.

Moved by _____,
Seconded by _____,
And adopted on motion _____, 2012.

**RESOLUTION NO. INTRODUCED BY THE MANAGEMENT & BUDGET
COMMITTEE TO APPROVE SULLIVAN COUNTY REVOLVING LOANS**

WHEREAS, the Sullivan County Division of Planning & Environmental Management (“Division”) oversees the County Agri-Business Revolving Loan Funds funded through grants received from the New York Governor’s Office of Small Cities; and

WHEREAS, the Division has submitted the loan reports to the Sullivan County Revolving Loan Fund Advisory Board; and

WHEREAS, the Advisory Board has considered such loan reports and accompanying financial information and approved by majority the loan request listed below contingent upon certain conditions as outlined in the loan commitment letters.

<u>Borrower</u>	<u>Program</u>	<u>Amount</u>
Conor Crickmore, Neversink Farm	Agri-Business	\$ 30,000

NOW, THEREFORE, BE IT RESOLVED, that the Sullivan County Legislature hereby authorizes the Division to commence with the loan closing process and to have all the necessary documents executed to secure the loan in such form as approved by the County Attorney; and

BE IT FURTHER RESOLVED, that the Sullivan County Treasurer is hereby authorized to draw checks for the borrowers in the amount indicated above.

**RESOLUTION NO. INTRODUCED BY MANAGEMENT AND BUDGET COMMITTEE
TO APPORTION MORTGAGE TAX**

WHEREAS, Section 261 of the Tax Law of the State of New York requires apportionment of the mortgage tax, and

WHEREAS, the County Clerk and the County Treasurer have submitted a quarterly report, for the period of April 2012 to June 2012, to the Clerk of the Legislature, and

WHEREAS, The County Legislature has apportioned, among the various towns and incorporated villages of the County of Sullivan, the equitable share of the mortgage tax;

NOW, THEREFORE, BE IT RESOLVED, that the County Treasurer draw checks for each of the towns and villages the quarterly mortgage tax so apportioned, as follows:

TOWNS	
Bethel	16,935.39
Callicoon	9,152.72
Cochecton	6,473.35
Delaware	10,200.10
Fallsburg	28,379.95
Forestburgh	3,907.25
Fremont	4,060.61
Highland	7,478.74
Liberty	34,493.22
Lumberland	7,569.70
Mamakating	35,058.30
Neversink	7,810.21
Rockland	4,174.05
Thompson	31,898.69
Tusten	9,356.64

VILLAGES	
Bloomington	447.07
Jeffersonville	448.71
Liberty	6,035.03
Monticello	3,326.70
Woodridge	1,316.35
Wurtsboro	1,485.71

TOTAL	230,008.49
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Moved by	seconded by	declared duly
adopted on motion		

Resolution No. _____

RESOLUTION INTRODUCED BY THE MANAGEMENT AND BUDGET COMMITTEE TO RE-AUTHORIZE AFLAC, TO ENHANCE OUR EXISTING MEDICAL CARE EXPENSE REIMBURSEMENT (URM) AND DEPENDENT DAYCARE (DDC) PROGRAMS FOR SULLIVAN COUNTY EMPLOYEES.

WHEREAS, AFLAC has a national presence administering unreimbursed medical and dependent daycare programs; and

WHEREAS, the County and its employees both benefit from the tax deductible nature of the above mentioned voluntary programs; and

WHEREAS, the County needs to renew and reauthorize the programs; and

NOW, THEREFORE, BE IT RESOLVED, the County Manager be authorized to enter into an agreement with AFLAC and its designated service company, to provide the above mentioned programs at no cost to the County of Sullivan, such agreement to be approved as to form by the County Attorney.

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