

MANAGEMENT AND BUDGET COMMITTEE

TUESDAY, February 10, 2015 10:30 AM

**Committee Members: Jonathan Rouis, Chair, Gene Benson, Vice Chair,
Kitty Vetter, Cora Edwards, Ira Steingart**

AGENDA

PRESENTATIONS:

- 1. Impacts of Executive 2015-2016 State Budget Proposal**

DISCUSSIONS: None

RESOLUTIONS:

AUDIT – None

COUNTY TREASURER – None

GRANTS- None

MANAGEMENT AND BUDGET –

- 1. To approve a Sullivan County Revolving Loan.**
- 2. To apportion Mortgage Tax.**

MANAGEMENT INFORMATION SYSTEMS - None

PUBLIC COMMENT

**EXECUTIVE 2015-16
STATE BUDGET
PROPOSAL**

Potential
Impacts to
Sullivan
County

NYS EXECUTIVE 2015-16 EXECUTIVE BUDGET

- Stays within the self-imposed 2% spending cap on State operating funds, with total spending proposed at just over \$141.6 billion.
- Addition of and changes to certain programs would directly impact NYS Counties and their constituents should they be included in the final adopted State budget.

INCOME TAX CREDIT FOR PROPERTY TAXES

- Under this proposal, eligible homeowners would receive a personal income tax credit against property taxes paid that exceed 6% of adjusted gross income.
- This would be available on a sliding scale to homeowners who's income does not exceed \$250,000.
- This credit would be available only in jurisdictions that meet the 2% property tax cap and would be phased in over 4 years.

EXAMPLE OF INCOME TAX CREDIT

- Adjusted Gross Income: \$50,000
- 6% Adjusted Gross Income: \$3,000
- Property Taxes: \$4,000
- Amount eligible for relief: \$1,000 (property taxes paid in excess of 6% of adjusted gross income)
- Relief available: 50% of \$1,000, or \$500 income tax credit
- *NOTE: Percentage of relief available varies based on adjusted gross income – 50% under \$75K, 40-50% \$75k-\$150k, and 15-40% \$150k to \$250k.*

PROPERTY TAX FREEZE, YEAR 2

- Sullivan County managed to stay within the 2% tax cap for FY2015, making it eligible for year 1 of the property tax “freeze” implemented by the State.
- STAR eligible property taxpayers will receive reimbursement from the State for the increase in their County taxes paid in January 2015 in the fall of 2015.
- In order to be eligible for the property tax freeze in year 2, the County must stay within the 2% tax cap *and* put forward a compliant Government Efficiency plan to save one percent of the County tax levy in each of the following three years.
- Local governments are strongly encouraged to develop and submit a county-wide Government Efficiency Plan.

PROPERTY TAX FREEZE, YEAR 2 (CONT.)

- Efficiency plans must save 1% of the total levy for all participating jurisdictions.
 - Example: If the plan includes County A with a tax levy of \$50 million, Town A with a tax levy of \$10 million and Town B with a tax levy of \$10 million, then the plan must result in savings of 1% of \$70 million, or \$700,000 total savings for the participating jurisdictions.
- The savings must occur for a minimum of 3 years once fully implemented (FY 2017, 2018, & 2019).
- Eligible activities include cooperation agreements, shared services, mergers, and/or efficiencies.
- Activities that were previously implemented are eligible for inclusion as long as they were implemented after the establishment of the 2% tax cap (January 1, 2012).
- \$150 million is being made available for grants to local governments to help finance the most innovative shared services and government efficiency proposals.

JUVENILE JUSTICE AND YOUTHFUL OFFENDER REFORMS

- The proposed budget includes language that would implement significant reforms with regard to Juvenile Justice and Youthful Offenders.
- Reforms to juvenile justice include raising the age of juvenile jurisdiction, court modifications, and procedural changes for detention, placement and arrests.
- Youthful offender reforms include various changes in the handling of PINS cases, including the addition of a new title to Article 6 of the Social Services Law requiring the establishment of Family Support Centers to provide comprehensive services.

JUVENILE JUSTICE AND YOUTHFUL OFFENDER REFORMS (CONT.)

- Probation will be expected to establish family engagement specialists to facilitate adjustment of cases as well as leverage a continuum of evidence based diversion services for impacted youth.
- The cost of the engagement specialists would be included in the Probation Department's application for state aid.
- Additional aid would be made available to Probation including funding for juvenile risk intervention services, as well as funding for a continuum of evidence based intervention services for sentenced youth.
- The proposal requires no local social services district to reimburse OCFS for youth cared for under the proposal, and further states that local districts will be reimbursed 100% for expenditures for youth in non-secure and secure detention after January 1, 2017.
- Once fully phased in, this program is expected to have an annual cost of \$375 million statewide by 2020-21.

ADDITIONAL IMPACTS ON COUNTY BUDGET

- The proposed State budget includes funding for counties to cover 100% of the District Attorney salary increases.
 - The increase has occurred in the past 3 years.
 - District Attorney salaries are directly tied to the State Judge salaries by law and the increase is therefore mandated.
- Video Lottery Terminal receipts for counties were reduced to 2013-14 levels, approximately 21% reduction.
 - Sullivan County would see a reduction of \$66,122, falling from \$308,570 to \$242,448.

ADDITIONAL IMPACTS ON COUNTY BUDGET

- Community Services: Sees no reduction in local aid; includes additional investment of State money to reduce the size of State hospitals and State operated developmental centers
- Medicaid: Maintains the County cap for local Medicaid administrative expenses, and continues the state takeover of County Medicaid administrative functions.
- Public Health: With regard to Article 6 Health Funding, the proposed budget combines 41 separate funding programs into 5 categories with overall lower funding compared to last year's budget.

ADDITIONAL IMPACTS ON COUNTY BUDGET

- **Public Safety:** The proposed budget maintains level funding for the Statewide Interoperable Emergency Communications Grants.
- **CHIPS:** The total amount of funding included in the proposed budget is level from the 2014-15 budget.
- **Youth Placement:** Mandated costs imposed on counties for the operation of NYS Office of Children and Family Services juvenile facilities would be capped.
 - Under the proposed budget the State would also end the practice of retroactive billing.

REGIONAL ECONOMIC DEVELOPMENT COUNCILS

- **Special Infrastructure Account:** Includes \$500 million for the "New NY Broadband Program" to incentivize the private sector to expand high-speed broadband access in underserved areas.
 - Regional Economic Development Councils must submit a comprehensive plan to the State that identifies unserved/underserved areas; aggregates demand across residential, institutional and business sectors; details most cost effective means to provide universal access; and leverages state-owned assets where possible.
- **Upstate Revitalization Account:** \$1.5 billion is being made available for a special competitive economic development program open to 7 regional economic areas, including the Mid-Hudson Region.
 - Regions will compete for one of three \$500 million upstate revitalization grants.

CONCLUSION

- The Executive 2015-16 State Budget Proposal does not appear to shift significant costs from the State to the County as has been common practice in previous years.
- The largest impact to the County and its constituents will result from the implementation of the Income Tax Credit and the second year of the property tax freeze.
- Impacts to specific departments will be discussed with the appropriate commissioners and department heads to determine what, if any, actions the County must take to accommodate any changes.

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

To: Sullivan County Legislature

Fr: Jill M. Weyer

Re: Request for Consideration of a Resolution: Approve a revolving loan

Date: 01/27/2015

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

Approve an Agri-Business Microenterprise Revolving loan for Paul Deninno, Bashakill Vineyards, LLC to expand his winery into beer production. The loan will fund \$20,000 to purchase equipment necessary to accomodate the diversification at his winery in the Town of Mamakating.

Is subject of Resolution mandated? Explain:

N

Does Resolution require expenditure of funds? Yes No

If "Yes, provide the following information:

Amount to be authorized by Resolution: \$ 20,000.00

Are funds already budgeted? Yes No

If "Yes" specify appropriation code(s): CD-00200-01173

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

Estimated Cost Breakdown by Source:

| | | | |
|--------------------|----------|-----------|---------------------------|
| County | \$ _____ | Grant(s) | \$ _____ |
| State | \$ _____ | Other | \$ <u>20,000.00</u> |
| Federal Government | \$ _____ | (Specify) | <u>County RLF Program</u> |

Verified by Budget Office: 

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

If "Yes", provide information requested on Pages 2. If "NO", please go straight to Page 3 and acquire all pre-legislative approvals.

Request for Authority to Enter into Contract with [Bashakill Vineyards, LLC] of [Wurtsboro, NY]

Nature of Other Party to Contract: Professional Other:

Duration of Contract: From 03/01/2014 To 02/28/2021

Is this a renewal of a prior Contract? Yes ___ No

If "Yes" provide the following information:

Dates of prior contract(s): From _____ To _____

Amount authorized by prior contract(s): _____

Resolutions authorizing prior contracts (Resolution #s): _____

Future Renewal Options if any:

Is Subject of Contract – i.e. – the goods and/or services Mandated? Yes ___ No

If "Yes" cite the mandate's source; describe how this contract satisfies the requirements:

If "No" provide other justification for County to enter into this Contract: [County does not have resources in-house, best source of the subject materials, required by grant, etc.]:

RLF to assist local business

Total Contract Cost for [year or contract period]: (If specific sum is not known state maximum potential cost): 20,000

Efforts made to find Less Costly alternative:

n/a

Efforts made to share costs with another agency or governmental entity:


n/a


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

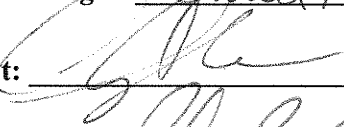
n/a 

Person(s) responsible for monitoring contract (Title): Jill M. Weyer

Pre-Legislative Approvals:

A. Director of Purchasing:  Date 2/9/15

B. Management and Budget:  Date 2/9/15

C. Law Department:  Date 2/9/15

D. County Manager:  Date 2/9/15

E. Other as Required: _____ Date _____

Vetted in _____ Committee on _____

**RESOLUTION NO. INTRODUCED BY THE MANAGEMENT AND BUDGET
COMMITTEE TO APPROVE A SULLIVAN COUNTY REVOLVING LOAN**

WHEREAS, the Sullivan County Division of Planning & Environmental Management (“Division”) oversees the County Main Street Main Street 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 report to the Sullivan County Revolving Loan Fund Advisory Board; and

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

| <u>Borrower</u> | <u>Program</u> | <u>Amount</u> |
|--|---------------------|---------------|
| Paul Deninno, Bashakill Vineyards, LLC | Agri-Business Micro | \$20,000 |

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 borrower in the amount indicated above.

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

To: Sullivan County Legislature

Fr: Sullivan County Clerk

Re: Request for Consideration of a Resolution: To apportion the mortgage tax

Date: 2/6/15

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

Distribute the mortgage tax collected from 10/1/14-12/31/14 to the various Towns and Villages

Is subject of Resolution mandated? Explain:

Does Resolution require expenditure of funds? Yes ___ No

If "Yes", provide the following information:

Amount to be authorized by Resolution: \$ _____

Are funds already budgeted? Yes ___ No ___

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

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

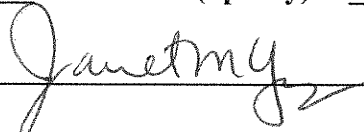
Estimated Cost Breakdown by Source:

County \$ _____ Grant(s) \$ _____

State \$ _____ Other \$ _____

Federal Government \$ _____ (Specify) _____

Verified by Budget Office: _____



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

If "Yes", provide information requested on Pages 2. If "NO", please go straight to Page 3 and acquire all pre-legislative approvals.

Request for Authority to Enter into Contract with [_____] of
[_____]

Nature of Other Party to Contract: .

Other:

Duration of Contract: From _____ To _____

Is this a renewal of a prior Contract? Yes ___ No ___

If "Yes" provide the following information:

Dates of prior contract(s): From _____ To _____

Amount authorized by prior contract(s): _____

Resolutions authorizing prior contracts (Resolution #s): _____

Future Renewal Options if any:

Is Subject of Contract – i.e. – the goods and/or services Mandated? Yes ___ No ___

If "Yes" cite the mandate's source; describe how this contract satisfies the requirements:

If "No" provide other justification for County to enter into this Contract: [County does not have resources in-house, best source of the subject materials, required by grant, etc.]:

Total Contract Cost for [year or contract period]: (If specific sum is not known state maximum potential cost): _____

Efforts made to find Less Costly alternative:

Efforts made to share costs with another agency or governmental entity:

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

N/A

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

Pre-Legislative Approvals:

- A. Director of Purchasing: *[Signature]* Date 2/9/15
- B. Management and Budget: *[Signature]* Date 2/9/15
- C. Law Department: _____ Date _____
- D. County Manager: *[Signature]* Date 2/9/15
- E. Other as Required: _____ Date _____

Vetted in _____ Committee on _____

**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 October 2014 to December 2014, 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 | 26,829.64 |
| Callicoon | 17,283.81 |
| Cochecton | 5,328.29 |
| Delaware | 5,862.56 |
| Fallsburg | 29,727.65 |
| Forestburgh | 7,663.20 |
| Fremont | 1,134.49 |
| Highland | 12,836.02 |
| Liberty | 32,061.35 |
| Lumberland | 23,556.62 |
| Mamakating | 30,149.37 |
| Neversink | 11,158.56 |
| Rockland | 15,328.37 |
| Thompson | 55,236.05 |
| Tusten | 9,426.31 |

| VILLAGES | |
|-----------------|----------|
| Bloomington | 554.71 |
| Jeffersonville | 1,131.75 |
| Liberty | 5,793.22 |
| Monticello | 6,250.08 |
| Woodridge | 1,016.39 |
| Wurtsboro | 1,221.85 |

| | |
|--------------|-------------------|
| TOTAL | 299,550.29 |
|--------------|-------------------|

**Moved by
adopted on motion**

seconded by

declared duly