



**Office of the
County Administrator**

411 Main Street
Suite 408
Catskill, New York 12414

Shaun S. Groden
County Administrator

October 30th, 2013

To the Honorable Legislature of Greene County
411 Main Street Suite 408
Catskill, NY 12414

Re: Submittal of "In Process" Budget for Fiscal Year 2014

Please find attached, summary documentation outlining the proposed budget for all Greene County operations for the year 2014. As is standard procedure, many of the documents are routine in nature or have been used consistently year in and year out. However, included for the first time are a summary of each department's net cost to taxpayers, and a computation of such departments operations to an average residence. This new document is meant to provide some clarity or base line numbers to our citizens regarding the cost of county government.

Each year as we outline the release of the budget, we seek to identify major themes or over-arching examples of what are the primary or most important elements of the budget. In years past, we have reviewed the cost of "mandated" services which the State requires. That profile has been made in our continuous efforts to change the manner by which the State has driven our property tax rates ever higher. Three years ago, the Governor implemented property tax legislation that prohibited local governments from adopting budgets that would increase tax levies beyond predetermined thresholds. Called a two (2%) percent tax cap program, it also included adjustments that governmental units could make, which increased the tax levy by amounts greater than two (2%) percent while claiming it did not. This annual budget message has highlighted the irony of such legislation. Indeed, it is safe to say that this page has mocked the legislation as deceitful or of misrepresenting the level of taxation. Consequently, the last two years, the budgets submitted to the community for review truly proposed tax levies that were exactly two (2%) percent higher than the presiding year. Our efforts were designed not to confuse the public or to be accused of "fuzzy math." That will not be the case this year.

This year, the Governor's legislation will permit the county to present a budget document that increases the tax levy by 5.75%, while also stating that such a raise falls within the legislation's limitation of no more than two (2%) percent. To state that this reality will be confusing to the public is most likely an understatement. However, it is our belief that the public needs to fully understand the impact and equally, to discern the reasons why such an increase is necessary.



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If there is single point of reference as to the explanations that are driving this year's expenditure increases, it is the growth of what has become labeled "legacy costs." Legacy costs are made of pension expenses and health care costs. Once again this year, the contribution to the state pension fund has risen. Specifically it has increased \$268,000.00. The increase to health care costs is much more pronounced. As of today, we estimate that our overall health care costs (for both active employees and retirees) will increase approximately \$1.6 million. When combined together, these increases more than account for the total budget increase. Lastly, these costs are continuously increasing and will most likely represent the driving forces of future budget increases as well.

Therefore, as a means to lessen the expenditure increase in legacy costs, it will be necessary to once again reduce the workforce. Hopefully, this reduction can be attained via workforce attrition, and not layoffs to actual workers. This county is blessed with many fine and dedicated employees, and it would be a shame that someone would lose their employment, for reasons beyond their control or effort. As proposed, this budget will eliminate eleven (11) full time positions effective Jan 1st, 2014. In addition, it is estimated that an additional seven (7) positions will be removed during the fiscal year, as attrition levels repeat.

Looking deeper for explanations that are driving the expenditure increases and/or tax levy levels can also be placed with the following:

- a) The county jail will see an increase of two (2) correctional officers, as per state mandates. Additionally, medical staff will be expanded in efforts to handle the complexity of inmate health concerns. Lastly, due to age and conditions of the jail facility itself, a full time maintenance mechanic will be added, however with a delayed start date.
- b) Local and national economics certainly continue to play a role. Receipts for mortgage taxes, sales taxes and other fees that are driven by real estate, remain flat or unchanged from year to year. While any growth has been impaired, there are signs of expansion as experienced by efforts to improve the local tourism industry. These efforts should be expanded where possible, in recognition that tourism is county's primary industry.
- c) County Fund Balances are strained, also due to the subdued economy and as a result of the county's efforts to maintain tax increases as low as possible. Unfortunately, the Fund Balance contribution to the 2014 budget has been lowered by approximately \$ 1 mil. This change must be made, as efforts to maintain fiscal stability outweigh short term gains that could be realized with continued Fund Balance dependence.

It has been the practice of this Administration to recognize other issues that either are directly affecting this budget or will certainly impact future budgets. If there is a single issue, it is aging facilities and infrastructure. Of first concern is the condition and capability of the 911 emergency dispatch systems. Master Plans have recently been completed that outline the need to completely change and expand the

“backbone” of the system. This specifically means the installation of additional radio towers, coupled with the possibility a new communication system (frequency use). The county experienced firsthand the problems with the dispatch system during Hurricane Irene. It is imperative that the Master Plan be implemented as soon as possible and as soon as budgets can allocate the resources.

Second to this, aged buildings that house the county jail and mental health operations, should be reviewed and budgeted for overhaul and/or repair. The reality is, the cost of such improvements may just be beyond the reach of a community that continues to struggle with existing property tax levels.

While this budget proposal has outlined challenges the county faces, it should also review where gains have been made. The ability for the highway department to focus on road repair has been expanded in multiple areas. First, the allocation of C.H.I.P.S funding has increased for the first time in years. Second, funding required for match funding under federal road programs has also been increased. These two (2) endeavors will result in improved road and/or bridge systems.

Next year, fiscal discipline will allow sufficient funding for the replacement of fleet vehicles. Vehicles dedicated to the Sheriff’s Road Patrol and frontline heavy equipment in the highway department will continue our efforts to change over an aging fleet. These changeovers, should limit funds currently being expended for repairs or equipment rental.

Lastly, funding under economic development has been maintained. Under the direction of the newly formed T.A.C. (tourism advisory committee) approximately \$100,000.00 is allocated for their expanded efforts to increase marketing penetration programs, which drive tourism. Empirical data is now trending and indicating that the committee’s success is directly related to their program efforts. This is very encouraging!

In summation, it is safe to say, that this is status quo budget. That is, due to fiscal restraints, there will be few new initiatives undertaken in fiscal year 2014. And that is unfortunate. Long term planning and systemic change should be a standard core response to fiscal issues. As mentioned above, the apparent success of the T.A.C. would indicate a need to expand such efforts into other areas of economic development.

Please review the attached budget and summation documents. Feel free to contact our office with questions. The budget adoption schedule will be reviewed in committee shortly.

Respectfully submitted,

Shaun S. Groden, County Administrator
MaryJo Jaeger, Deputy Budget Officer