

# *Overview of the Fiscal 2010*

## *Executive Budget*



### **Nassau County Office of Legislative Budget Review**

Eric C. Naughton, Director  
Steve Antonio, Deputy Director  
Stephanie Rubino, Assistant Director  
Deirdre Calley, Budget Analyst  
Othniel Denis, Budget Analyst  
Nadeem Shahzad, Planning & Strategy, Information Technology  
Connie Tucker, Budget Analyst

*October 1, 2009*

#### *Government Services Committee*

#### *Agencies Scheduled to Testify:*

*County Clerk*

*Public Works*

*Parks, Recreation & Museums*

*Minority Affairs*

*Planning*

*Information Technology*

*Human Rights*

#### **Nassau County Legislature**

**Hon. Diane Yatauro,**  
*Presiding Officer*

**Hon. Peter J. Schmitt,**  
*Minority Leader*

**Hon. Wayne H. Wink, Jr.**  
*Chairman, Government Services Committee*

ERIC C. NAUGHTON  
DIRECTOR  
OFFICE OF LEGISLATIVE  
BUDGET REVIEW



**NASSAU COUNTY LEGISLATURE**

1550 FRANKLIN AVENUE  
MINEOLA, NEW YORK 11501-4895  
TEL: (516) 571-6292

**Inter-Departmental Memo**

To: Hon. Diane Yatauro, Presiding Officer  
Hon. Peter J. Schmitt, Minority Leader  
Hon., Wayne H. Wink, Jr., Chairperson, Government Services Committee  
All members of the Government Services Committee

From: Eric C. Naughton, Director *EM*  
Office of Legislative Budget Review

Date: September 30, 2009

Re: FY 10 Budget Hearing – October 1, 2009

---

Enclosed please find preliminary reviews of the FY 10 Executive Budget for the specific agencies scheduled to appear before the Government Services Committee. Our analysis includes two years of historical expenditures and revenue, as well as the Office of Legislative Budget Review's (OLBR) projections for FY 09. In addition, in looking at staffing needs we also compare the proposed FY 09 budget to actual staffing levels for the last two years. The OLBR headcount projection represents each department's on-board staffing as of September 1, 2009.

### **County Clerk**

Proposed total expenses for the office are decreasing 1.7% from the adopted 2009 level of \$7.1 to \$7.0 million.

Compared to the 2009 OLBR projection, FY 10 total County Clerk revenues are budgeted to increase by \$2.6 million or 19.6%. OLBR believes that the 2010 departmental revenues budget of \$15.7 million is optimistic. OLBR is projecting 2009 departmental revenues to be \$13.1 million and 2010 departmental revenues should be lower than that since the Nassau County real estate market is forecast to decline throughout 2010.

### **Public Works (General Fund)**

The Department of Public Works proposed FY 10 budget is decreasing by \$13.5 million, or 12.3%, from the FY 09 adopted. Every expense category except workers compensation has been cut. The OTPS appropriation, less interdepartmental charges and utilities, has been lowered by 13.6%. The department intends to discontinue the purchase of all non-essential equipment and supplies.

The salaries line has been reduced by \$6.0 million, or 12.2%, and the budgeted headcount contains 72 fewer full-time positions than in FY 09. The separation incentive was opted into by 65 of the department's employees, including 10 civil engineers, 7 equipment operators, 6 laborers, 4 grounds-keepers, 4 police auto mechanics, 3 custodial workers, and 3 carpenters. The September 1, 2009 actual headcount of 610 full-time employees leaves 24 of the budgeted FY 10 positions to be filled. DPW plans to target its most critical hiring needs.

### **Public Works (Sewer and Storm Water Resource District)**

FY 10 expenditures are declining by 6.0%, or \$10.6 million compared to the FY 09 adopted, as a result of reductions in salaries, fringe benefits, utility costs, and debt service principal. Budget to budget the salaries line is decreasing by \$3.5 million, or 15.1%. For the past several years, the Department of Public Works (DPW) has been operating with a significant number of funded vacant positions. In 2009, the District had 14 employees opt into the separation incentive program. Currently, there are 72 vacancies, including among other positions, Sewer Maintenance Workers I and II, Equipment Operators I, Sewage Treatment Operators, Sewage Treatment Plant Supervisors I and II and Sewage Treatment Chemists I. The FY 10 budget has eliminated funding for 44 positions, bringing headcount closer to actual levels.

The use of fund balance by the District has been reduced in the proposed FY 10 budget by \$6.7 million, to \$52.8 million. The property tax revenue that funds the Sewer and Storm Water Finance Authority and the District, has been increased by \$6.0 million. The property tax rate will have to be brought up to a level so that the use of fund balance is no longer required. The MYP shows the fund balance zeroing out after 2013.

An additional \$4.0 million budgeted in departmental revenues is directly related to a high volume usage charge that the Administration had planned to implement in FY 09. This charge would apply to high volume users that the County deems are using more water than would be covered in the sewer tax. The charge will be based upon water consumption. The County did not implement this initiative in FY 09, and as a result will not collect any of the \$4.0 million that was budgeted. Based on the volume of water consumption for the full year in FY 10, rather than the half year planned for FY 09, the proposed budget assumes approximately \$8.0 million in revenue. The Multi-Year Plan assumes revenue for this initiative to grow to \$11.0 million in FY 11, \$11.2 million in FY 12 and \$11.4 million in FY 13.

### **Parks, Recreation & Museums**

The FY 10 proposed expense budget for the Department of Parks, Recreation & Museums is decreasing by \$1.1 million or 6.1%, in comparison to the FY 09 Adopted Budget. This is primarily due to the elimination of 22 full-time positions, which allowed for a reduction in the salaries line of \$1.3 million.

Total revenue is decreasing by \$4.7 million, or 16.9% in comparison to the FY 09 Adopted Budget. The \$4.4 million marketing revenue in the 2009 budget, anticipated from a partnership with Clear Channel, has been removed. Compared to 2009 projections, a revenue increase of \$2.9 million or 14.7% is expected. The Executive Budget anticipates large increases in the following areas when compared with FY 09 projections: swimming pools, white course, blue course, red course, Old Bethpage Village and the ice rinks. OLBR puts approximately \$1.9 million in FY 10 proposed revenue at risk.

### **Human Rights**

The proposed expense budget is \$52,043 or 6.3% lower than the 2009 adopted budget and 1.1% lower than OLBR projection for 2009. The proposed revenue budget is remaining unchanged from the FY 09 budget but decreasing by \$90,000 from FY 09 projections.

### **Minority Affairs**

Total expenses have been reduced from the FY 09 Adopted Budget by \$63,853 and are increasing from the FY 09 projected by \$5,567. The decrease comes primarily from salaries line which is \$46,571 less than in FY 09. Two vacant positions were eliminated from the FY 10 budget, one Deputy Director and one Special Assistant.

In FY 2010, the Administration plans to consolidate CASA, Constituent Affairs and Minority Affairs into the Office of the County Advocate which would be within the Office of the County Executive. Although these departments share many similar functions, there are also purposes to these agencies that go beyond their similarities. The County Charter acknowledges these complexities with the

provisions of both the Minority Affairs Council and the advisory board to CASA. It seems clear that the intent of the Commission on Government Revision is that these departments not function only as a service to the County Executive but with the direction and interests of the communities they serve. At the very least, the regulatory aspects of Minority Affairs should be addressed if the County believes the objectives of this department, as it was originally envisioned, to be of consequence.

### **Planning**

Total expenses for the Planning Department have been reduced by 5.9% from the adopted 2009 level, and 4.2% from OLBR's 2009 projection. The 2010 subsidy payment from Nassau County to LI Bus has been cut from the FY 09 level by \$2.5 million to \$8.0 million. This decrease equals the estimated amount the County will pay for the MTA mobility tax. LI Bus does not collect/retain any of the mobility tax revenues, and will have a larger deficit as a result of the reduction. A technical adjustment will be proposed to reduce the funding an additional \$300,000 to capture all of the County's mobility tax expense.

### **Information Technology**

The IT budget has been reduced from the FY09 adopted by \$1.9 million, or 6.6%. Salaries are decreasing by \$2 million to \$11.3 million in FY 10 due to a drop in staffing from 158 to 133 full-time positions. Ten of the department's employees opted into the separation incentive. Contractual services are increasing by \$566,845 due to consolidation of contracts as the result of a merger of department functions into Information Technology.

A major initiative that DoIT has undertaken is the **Enterprise Resource Planning System** (ERP) for an estimated capital expense of over \$50 million over the next four years, through FY13. The ERP will replace the County's current Financial System (FAMIS), and current Human Resource Management and Payroll System.

---

**GOVERNMENT SERVICES COMMITTEE**

---

**TABLE OF CONTENTS**

(1) County Clerk..... 1

(2) Human Rights ..... 5

(3) Information Technology ..... 8

(4) Minority Affairs..... 11

(5) Parks, Recreation and Museums ..... 13

(6) Planning ..... 20

(7) Department of Public Works

    (a) Department of Public Works (General Fund)..... 24

    (b) Sewer and Storm Water ..... 28

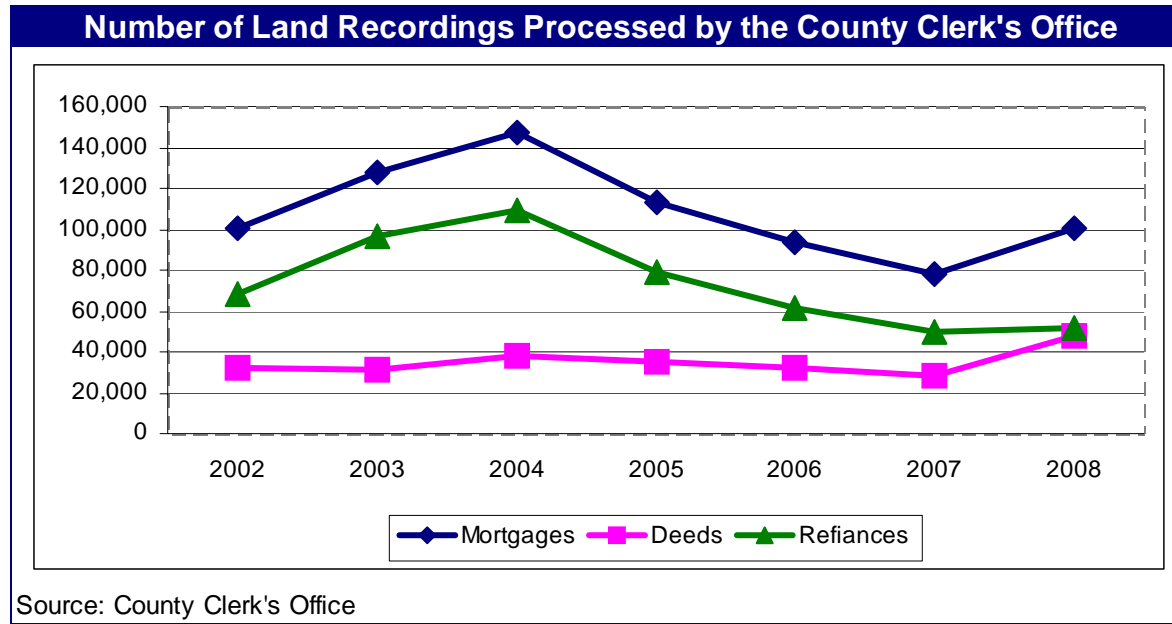
Revenue	Historical		2009		2010	Exec. vs. Adopted		Exec. vs. Projected	
	2007	2008	Adopted Budget	OLBR Projected	Executive Budget	Variance	Percent	Variance	Percent
Fines & Forfeits	\$418,747	\$294,029	\$300,000	\$150,000	\$200,000	(\$100,000)	-33.3%	\$50,000	33.3%
Rents & Recoveries	0	61,274	0	0	0	0	*****	0	*****
Dept Revenues	12,938,266	10,228,469	17,661,600	13,108,587	15,661,600	(2,000,000)	-11.3%	2,553,013	19.5%
<b>Total</b>	<b>\$13,357,013</b>	<b>\$10,583,773</b>	<b>\$17,961,600</b>	<b>\$13,258,587</b>	<b>\$15,861,600</b>	<b>(\$2,100,000)</b>	<b>-11.7%</b>	<b>\$2,603,013</b>	<b>19.6%</b>

**Revenues**

- The Nassau County Clerk is the County Registrar and Clerk of the Supreme and County Courts. The office records all real estate transactions and maintains all court records in civil and matrimonial proceedings.
- County Clerk revenues are budgeted on two separate lines, fines & forfeits and departmental revenues.
- Compared to the 2009 OLBR projection, FY 10 total County Clerk revenues are budgeted to increase by \$2.6 million or 19.6%.
  - On a budget to budget basis, the 2010 County Clerk revenues are expected to decline by 11.7%. This is due to an optimistic 2009 budget which did not anticipate the steep decline in closed transactions.
- Mitigating the revenue loss is the heightened fee structure. The passage of the uniform filing fee legislation raised the fee imposed by the County Clerk for recording, entering, indexing and endorsing a certificate on any instrument. Had fees not been raised, 2009 County Clerk departmental revenues would have declined even further.
  - 2008 and 2009 departmental revenues were facilitated by a steep fourth quarter 2008 drop in mortgage interest rates. The low rates made it possible for many individuals to refinance their home loans.
  - Spring and summer 2009 departmental revenues were enabled by the \$8,000 first-time homeowner federal tax credit.

The chart on the following page details the annual number of mortgages, deeds and refinancings recorded historically.

**Revenues, Cont.**



- 2010 Nassau County home purchases and refinancings are expected to decline 16.6% and 48.1% as growing foreclosures and unemployment will keep prices down making it more difficult to have the equity requisite to refinance. Additionally, rising unemployment will make it more challenging for individuals to meet the requisite credit score.
- According to the Mortgage Bankers Association's September 8, 2009 Mortgage Finance Forecast, the interest rate charged on 30 year fixed rate mortgage will rise 0.6% in 2010 compared to 2009.
- According to the forecast the interest rate increase will coincide with a 35.5% reduction in the number of refinances nationwide. Such a reduction would impact County Clerk revenues since roughly one third of the land recordings processed annually by the County Clerk's Office are due to mortgage refinances.
- The chart on the next page provides a detail of the departmental revenues category.
- Roughly 70% of the departmental revenues line items are directly connected to the buying, financing and selling of real estate.



**Revenues, Cont.**

- The non-real estate related categories of the departmental revenues have been more consistent and should reduce the projected loss for total County Clerk departmental revenues. For example, court fees are expected to rise in conjunction with increased foreclosures.

<b>Departmental Revenues</b>					
<b>Revenue Source</b>	<b>FY 08 Actual</b>	<b>FY 09 Budget</b>	<b>FY 09 Projection</b>	<b>FY 10 Exec.</b>	<b>09 Adopt. vs. 10 Exec.</b>
Fees	\$43,292	\$55,200	\$10,362	\$11,500	(\$43,700)
Court Fees	1,165,940	1,200,000	1,158,338	1,525,000	\$325,000
Mortgage Recording Fees	4,675,048	12,180,000	7,127,903	9,655,100	(\$2,524,900)
Deed Recording Fees	876,870	720,000	1,335,813	1,000,000	\$280,000
Real Estate Transfer Fees	22,187	20,400	16,571	16,000	(\$4,400)
Records Management	172,349	198,000	148,940	170,000	(\$28,000)
Mortgage Exp Reimbursement	1,366,454	1,358,400	1,349,170	1,359,000	\$600
Business Name Fee	224,853	240,000	210,055	225,000	(\$15,000)
Miscellaneous Fees	1,681,476	1,689,600	1,751,434	1,700,000	\$10,400
	<b>\$10,228,469</b>	<b>\$17,661,600</b>	<b>\$13,108,587</b>	<b>\$15,661,600</b>	<b>(\$2,000,000)</b>

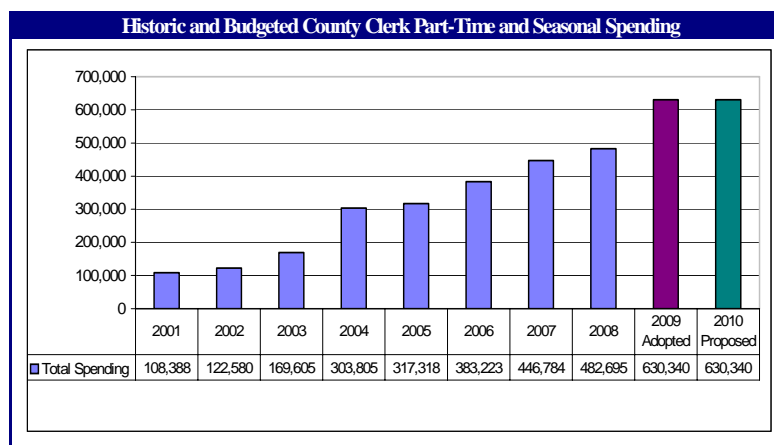
- OLBR believes that the 2010 departmental revenues budget of \$15.7 million is optimistic. OLBR is projecting 2009 departmental revenues to be \$13.1 million and 2010 departmental revenues should be lower than that since the Nassau County real estate market is forecast to decline throughout 2010.
- The increase in court fees is due to an anticipated increase in foreclosure judgment recordings. Although, the recording of these judgments does bring in additional revenue, the fees for foreclosures are significantly lower than those for real property recordings.

Expense	Historical		2009		2010	Exec. vs. Adopted		Exec. vs. Projected	
	2007	2008	Adopted Budget	OLBR Projected	Executive Budget	Variance	Percent	Variance	Percent
Full-Time Headcount	98	99	106	96	106	0	0.0%	10	10.4%
Part-Time and Seasonal	67	45	100	45	100	0	0.0%	55	122.2%
Salaries	\$4,934,360	\$5,191,585	\$6,340,481	\$5,450,529	\$6,164,787	(\$175,694)	-2.8%	\$714,258	13.1%
Equipment	92,284	26,406	125,000	100,000	154,000	29,000	23.2%	54,000	54.0%
General Expenses	306,198	284,158	371,750	350,000	371,750	0	0.0%	21,750	6.2%
Contractual Services	234,759	253,953	300,000	300,000	325,000	25,000	8.3%	25,000	8.3%
<b>Total</b>	<b>\$5,567,600</b>	<b>\$5,756,102</b>	<b>\$7,137,231</b>	<b>\$6,200,529</b>	<b>\$7,015,537</b>	<b>(\$121,694)</b>	<b>-1.7%</b>	<b>\$815,008</b>	<b>13.1%</b>

**Expenses**

- Total expenses for the office are increasing 13.1% from the projected 2009 amount and decreasing 2.8% from the adopted 2009 level.
- The largest expense item in the County Clerk’s Office is salaries. The salary line is increasing 13.1% from the 2009 projected actual to cover anticipated CSEA raises and to enable the office to fill some of the vacant positions. The vacant positions are for the following titles, clerk I, clerk typist III, accounting assistant I, assistant to the deputy County Clerk, and an office services supervisor.
- The increase in the equipment line will enable to the office to make information technology investments.

The chart below details historic and budgeted part time and seasonal spending for the County Clerk’s Office. The Office uses part-time workers regularly throughout the year. The seasonal help has been utilized mostly during the summer months.



The Commission on Human Rights was established April 8, 1963, by Local Law Number 5. The Commission is mandated to investigate and mediate cases of discrimination based on race, creed, color, sex, age or handicap. The Job Development Center provides job and training referrals, guidance and testing services to persons seeking employment or to upgrade their skills.

Expense	Historical		2009		2010	Exec. vs. Adopted		Exec. vs. Projected	
	2007	2008	Adopted Budget	OLBR Projected	Executive Budget	Variance	Percent	Variance	Percent
Full-Time Headcount	10	9	10	7	10	0	0.0%	3	42.9%
Part-Time and Seasonal	38	2	55	15	55	0	0.0%	40	266.7%
Salaries	\$677,107	\$670,148	\$794,577	\$758,940	\$747,876	(\$46,701)	-5.9%	(\$11,064)	-1.5%
Equipment	0	0	2,250	2,000	0	(2,250)	-100.0%	(2,000)	-100.0%
General Expenses	3,134	15,027	15,762	12,000	15,670	(92)	-0.6%	3,670	30.6%
Contractual Services	6,750	0	18,000	14,000	15,000	(3,000)	-16.7%	1,000	7.1%
<b>Total</b>	<b>\$686,990</b>	<b>\$685,175</b>	<b>\$830,589</b>	<b>\$786,940</b>	<b>\$778,546</b>	<b>(\$52,043)</b>	<b>-6.3%</b>	<b>(\$8,394)</b>	<b>-1.1%</b>

**Expenses**

- The total proposed expense budget is \$52,043 or 6.3% lower than the Adopted 2009 budget and 1.1% lower than OLBR projection for 2009.
- The salary line which historically makes up over 95% of the departments budget is decreasing by \$46,701 or 5.9% from the FY 09 Adopted Budget. Budget to budget headcount is remaining flat at ten full-time employees.
- OLBR projects a lower salary expense largely due to several unfilled positions such as: Intergroup Relations Specialist, Human Relations Rep. I Bilingual and Director Job Development Center.
- The Intergroup Relations Specialist has been removed from the FY 10 Proposed Budget.
- The role of Intergroup Relations Specialist is a key role which focuses on sensitivity training and leading workshops related to diversity. Remaining staff will attempt to fill this void in spite of the lack of expertise on the subject matter.
- The actual salary expense from 2008 to projected 2009 increased significantly due to the expansion of the Summer Aide Program.

Expenses, Cont

As per the Comptroller's Audit from January 18, 2008, the payroll function in the Department of Human Rights has not been performed sufficiently and it is critical that this be corrected. The previous commissioner has stated that although she had repeatedly requested additional resources to rectify the situation, these requests were denied. The Acting Commissioner has stated that the part-time clerk I handles these responsibilities.

- There will be 1 part-time and 54 summer seasonal aid positions for FY 10. The summer seasonal aids are employed from the second week of June to mid August. There were 100 seasonal aids in 2009 which is not reflected in the above chart due to timing. The seasonal aides work at various agencies throughout the County and their salaries are paid by the Commission of Human Rights.
- The actual expense for seasonal aids was \$115,499 in 2007, \$128,169 in 2008, \$265,746 so far in 2009 and the Proposed 2010 Budget is \$125,000.
- The general expense line will be used to host a community breakfast in the month of October for creating awareness of

the commission and the services it provides. The forum was started in 2007 and the plan is to hold it on an annual basis.

- Local Law 9-2006 which became effective January 1, 2007 focuses on three areas:
  - Local enforcement of County open housing legal protections.
  - An administrative enforcement procedure for client and commission initiated complaints.
  - Procedures in which cases can be investigated and heard before an administrative law judge.
- Currently the office has ten open cases related to the 2007 Housing Law and has closed seven thus far this year.
  - The department does not allow the complaints to fall behind due to the importance of maintaining the Counties Memorandum of Understanding (MOU) with the State. The MOU allows for complaints that are filed with the County to be automatically recognized by the State government. This helps to prevent the statute of limitations from running out on cases filed with the County that may progress to the State or Federal levels.
- The contracts line is utilized for outside council when cases are brought against the County.

Revenue	Historical		2009		2010	Exec. vs. Adopted		Exec. vs. Projected	
	2007	2008	Adopted Budget	OLBR Projected	Executive Budget	Variance	Percent	Variance	Percent
Rents & Recoveries	\$1,406	\$1,570	\$0	\$0	\$0	\$0	*****	\$0	*****
Interfund Charges Rev	50,000	50,000	50,000	140,000	50,000	0	0.0%	(90,000)	-64.3%
<b>Total</b>	<b>\$51,406</b>	<b>\$51,570</b>	<b>\$50,000</b>	<b>\$140,000</b>	<b>\$50,000</b>	<b>\$0</b>	<b>0.0%</b>	<b>(90,000)</b>	<b>-64.3%</b>

**Revenue**

- The FY 10 proposed revenue budget is remaining unchanged from the FY 09 budget but decreasing by \$90,000 or 64.3% from FY 09 projections.
  - The Commission’s largest revenue source of \$50,000, of interfund charges represents Community Development Block Grant (CDBG) funding for the summer aid program provided via the Office of Housing and Intergovernmental Affairs. In FY 09 the Commission received an additional \$90,000 from the CDBG grant to facilitate the placement of an additional 45 summer aides, bringing the total to 100.

Expense	Historical		2009		2010	Exec. vs. Adopted		Exec. vs. Projected	
	2007	2008	Adopted Budget	OLBR Projected	Executive Budget	Variance	Percent	Variance	Percent
Full-Time Headcount	97	139	158	135	133	(25)	-15.8%	(2)	-1.5%
Part-Time and Seasonal	1	7	6	7	6	0	0.0%	(1)	-14.3%
Salaries	\$9,210,137	\$10,300,103	\$13,308,842	\$11,363,645	\$11,316,448	(\$1,992,394)	-15.0%	(\$47,197)	-0.4%
Fringe Benefits	0	0	0	0	0	0	*****	0	*****
Equipment	33,515	2,037	72,170	72,170	22,250	(49,920)	-69.2%	(49,920)	-69.2%
General Expenses	1,774,314	438,317	727,243	727,243	477,150	(250,093)	-34.4%	(250,093)	-34.4%
Contractual Services	6,184,907	5,804,979	8,906,861	8,906,861	9,473,706	566,845	6.4%	566,845	6.4%
Utility Costs	4,674,479	4,473,127	4,875,955	4,875,955	5,043,820	167,865	3.4%	167,865	3.4%
Inter-Dept. Charges	1,189,909	674,702	1,364,431	1,364,431	980,723	(383,708)	-28.1%	(383,708)	-28.1%
<b>Total</b>	<b>\$23,067,262</b>	<b>\$21,693,265</b>	<b>\$29,255,502</b>	<b>\$27,310,305</b>	<b>\$27,314,097</b>	<b>(\$1,941,405)</b>	<b>-6.6%</b>	<b>\$3,792</b>	<b>0.0%</b>

**Expenses**

- Salaries are decreasing by \$2.0 million to \$11.3 million in FY 10 due to the reduction in staff as the result of the incentive for early retirement. This is a reduction of 15% from the FY 09 Adopted Budget.
- OTPS expenses, less interdepartmental charges, have been increased by \$434,697 or 3.0% due mostly to the IT Consolidation.
  - Equipment has decreased from \$72,170 in FY 09 to \$22,250 in FY 10.
  - General expenses have gone down by \$250,093 due to a reduction in IT supplies.
  - Contractual services are increasing by \$566,845 due consolidation of contracts as the result of merger of department function into Information Technology. Please refer to the chart on the next page.
- Contractual services, budgeted at \$9.4 million, are obtained for maintenance of software, systems and licensing increases.
  - Utilities have gone up by \$168,000 due to increased telecommunication costs from the IT function consolidation from various departments
- Interdepartmental charges are decreasing \$383,708 due to reduced building occupancy charges. The department no longer makes lease payments for renting 160 Old Country Road since the department moved to 240 Old Country Road in the summer of 2009.
- Additional maintenance contracts are utilized to support the use of supplemental staffing, as IT management analyzes what staffing and skill level is appropriate to serve the County’s technology needs.

**Expenses, Cont.**

Department of Information Technology 2009 & 2010 Contractual Services				
Contract	2009 Adopted Budget	2010 Executive Budget	Executive vs Variance	Adopted Percentage
Support	\$717,500	\$617,280	(100,220)	-14.0%
Application Support	265,539	349,963	84,424	31.8%
Telecommunications	542,000	500,000	(42,000)	-7.7%
Client Relationship	0	93,033	93,033	*****
Data Center Operations	2,869,827	567,842	(2,301,985)	-80.2%
Data Center Tech Serv.	0	1,946,124	1,946,124	*****
Data Center Storage	0	78,795	78,795	*****
Electronic Doc Mng Sys	75,000	90,000	15,000	20.0%
Desktop Support	1,345,275	1,382,922	37,647	2.8%
E-Mail/Server	671,407	796,072	124,665	18.6%
Network	984,500	1,479,500	495,000	50.3%
GIS	545,000	470,000	(75,000)	-13.8%
Police Consolidation	313,291	0	(313,291)	-100.0%
Web Services	255,120	780,275	525,155	205.8%
HHS - Consolidation	322,402	321,900	(502)	-0.2%
<b>Total</b>	<b>8,906,861</b>	<b>9,473,706</b>	<b>566,845</b>	<b>6.4%</b>

**Multi-Year Initiative**

The following out-year initiative has been included in the FY 10-13 Multi-Year Financial Plan:

NAME	FY 2011	FY 2012	FY2013
Enterprise Resources Planning System	\$4,887,546	\$5,559,094	\$10,993,588

A major initiative that DoIT has undertaken is the **Enterprise Resource Planning System (ERP)** for an estimated capital expense of over \$50 million over the next 4 years, through FY 13. This ERP will replace the County’s current Financial System (FAMIS), and current Human Resource Management and Payroll System. ERP should provide business units tools and data to enhance their business mission.

The Administration stated, “The initiative is supported by a business case that includes process change and improvements for both the financial and human resource systems.” The Administration believes that the savings will come from the financial efficiencies for the lifecycle of the system.

OLBR does not agree with the projected savings. There may be some “soft dollar” savings, along with the elimination of some maintenance costs as a result of the removal of the old equipment and systems.

**Revenues**

Revenue	Historical		2009		2010	Exec. vs. Adopted		Exec. vs. Projected	
	2007	2008	Adopted Budget	OLBR Projected	Executive Budget	Variance	Percent	Variance	Percent
Rents & Recoveries	\$200,577	\$290,823	\$0	\$229,250	\$0	\$0	*****	(\$229,250)	-100.0%
Dept Revenues	152,953	4,198	27,000	102,631	27,000	0	0.0%	(75,631)	-73.7%
Cap Backcharges	1,048,802	2,211,867	3,781,305	3,781,305	3,101,990	(679,315)	-18.0%	(679,315)	-18.0%
Interdept Revenues	4,552,643	5,397,532	9,463,593	9,463,593	7,986,597	(1,476,996)	-15.6%	(1,476,996)	-15.6%
Interfund Charges Rev	0	0	0	0	424,837	424,837	*****	424,837	*****
State Aid-Reimb Of Exp	398,079	411,111	366,420	366,420	366,420	0	0.0%	0	0.0%
<b>Total</b>	<b>\$6,353,055</b>	<b>\$8,315,532</b>	<b>\$13,638,318</b>	<b>\$13,943,199</b>	<b>\$11,906,844</b>	<b>(\$1,731,474)</b>	<b>-12.7%</b>	<b>(\$2,036,355)</b>	<b>-14.6%</b>

- Capital backcharges are decreasing by \$679,315 or 18.0%, as the result of capital projects having been completed in FY 09. Enterprise Resource Planning (ERP) capital project makes up \$1.5 million of the charges. The project was is in the FY 09 Capital Budget.
- Interdepartmental revenues are decreasing by \$1.5 million due mostly to loss of chargeback revenue for the additional services Information Technology is taking over as a result of the consolidation.
  - The inter-fund charge revenues of \$424,837 are from nine departments: Police Headquarters, Fire Commission Mental Health & Chemical Dependency, Planning, Senior Citizen, Minority Affairs, Youth Board, Housing & Intergovernmental Affairs, and Police District.



This department was established by County Executive directive pursuant to Section 2112 of the Nassau County Charter. Local Law 40 in FY 01 merged Affirmative Action with Minority Affairs.

Expense	Historical		2009		2010	Exec. vs. Adopted		Exec. vs. Projected	
	2007	2008	Adopted Budget	OLBR Projected	Executive Budget	Variance	Percent	Variance	Percent
Full-Time Headcount	9	8	8	6	6	(2)	-25.0%	0	0.0%
Salaries	\$664,524	\$593,693	\$542,630	\$493,210	\$496,059	(\$46,571)	-8.6%	\$2,849	0.6%
Equipment	780	725	725	725	600	(125)	-17.2%	(125)	-17.2%
General Expenses	26,983	9,176	26,557	26,557	21,900	(4,657)	-17.5%	(4,657)	-17.5%
Contractual Services	72,394	69,338	75,000	55,000	62,500	(12,500)	-16.7%	7,500	13.6%
<b>Total</b>	<b>\$764,681</b>	<b>\$672,932</b>	<b>\$644,912</b>	<b>\$575,492</b>	<b>\$581,059</b>	<b>(\$63,853)</b>	<b>-9.9%</b>	<b>\$5,567</b>	<b>1.0%</b>

**Expenses**

- Total expenses are decreasing from the FY 09 Adopted Budget by \$63,853 and increasing from the FY 09 projected by \$5,567.
- The decrease comes primarily from salaries which have decreased by \$46,571 from FY 09.
  - Two vacant positions were eliminated from the FY 10 budget.
    - One Deputy Director and one Special Assistant have been removed.
    - This is partially offset by the elimination of \$50,000 savings line in the FY 09 budget.

**Coordinating Agency for Spanish Americans (CASA), Office of Constituent Affairs and Office of Minority Affairs Consolidation**

In FY 2010, the Administration plans to consolidate CASA, Constituent Affairs and Minority Affairs into the Office of the County Advocate which would be within the Office of the County Executive. The Administration is hoping to “provide a more coordinated approach to community outreach, improve service delivery, be a strong advocate for the constituencies being served, and result in more effective, efficient operations.” Although these departments share many similar functions, there are also purposes to these agencies that go beyond their similarities. The County Charter acknowledges these complexities with the provisions of both the Minority Affairs Council and the advisory board to CASA. It seems clear that the intent of the Commission on Government Revision is that these departments not function only as a service to the County Executive but with the direction and interests of the communities they serve. At the very least, the regulatory aspects of Minority Affairs should be addressed if the County believes the objectives of this department, as it was originally envisioned, to be of consequence.

- Contractual services are being reduced by \$12,500 or 16.7% from the FY 09 budget which is more aligned with the FY 09 projection.
  - Contractual services were utilized in 2005 through 2007 for public services announcements also related to the Minority and Woman Business Enterprise (M/WBE) program and expenses have increased for seminars and workshops.
- General expenses are decreasing from the projected actual by \$4,657 from the FY 09 Budget and projected.

Revenue	Historical		2009		2010	Exec. vs. Adopted		Exec. vs. Projected	
	2007	2008	Adopted Budget	OLBR Projected	Executive Budget	Variance	Percent	Variance	Percent
Invest Income	\$8,956	\$1	\$0	\$0	\$0	\$0	*****	0	*****
Rents & Recoveries	1,228,817	1,463,269	853,640	1,137,177	1,268,592	414,952	48.6%	131,415	11.6%
Dept Revenues	16,442,070	18,122,572	25,710,550	18,072,270	20,858,709	(4,851,841)	-18.9%	2,786,439	15.4%
Cap Backcharges	0	0	2,736	2,736	0	(2,736)	-100.0%	(2,736)	-100.0%
Special Taxes	761,614	675,000	875,000	675,000	675,000	(200,000)	-22.9%	0	0.0%
<b>Total</b>	<b>\$18,441,457</b>	<b>\$20,260,842</b>	<b>\$27,441,926</b>	<b>\$19,887,183</b>	<b>\$22,802,301</b>	<b>(\$4,639,625)</b>	<b>-16.9%</b>	<b>\$2,915,118</b>	<b>14.7%</b>

**Revenues**

- Total revenue is decreasing by \$4.7 million or 16.9% in comparison to the FY 09 adopted budget. Compared to 2009 projections, an increase of \$2.9 million or 14.7% is expected.
- The FY 10 proposed departmental revenue is increasing by \$2.8 million or 15.4% when compared to FY 09 OLBR projections.
- Due primarily to the removal of \$4.4 million in advertising revenue from a planned partnership with Clear Channel, there is a \$4.9 million decrease from the FY 09 adopted budget.
- Several public, private partnerships are in the works for FY 10. These programs are not reflected in the proposed budget.

Hotel/Motel Tax				
	FY 09 Budget	FY 09 Projection	Proj. vs. Budget	FY 10 Proposed Budget
Treasurer	\$856,250	\$675,000	(181,250)	\$650,000
Parks\Gen.	875,000	900,000	25,000	675,000
Parks\Grt.	2,835,417	2,025,000	(810,417)	2,141,667
<b>Total</b>	<b>\$4,566,667</b>	<b>\$3,600,000</b>	<b>(966,667)</b>	<b>\$3,466,667</b>

**Hotel Motel Tax**

FY 10 hotel motel tax budget is decreasing by \$1.4 million to \$3.3 million. Total collections are expected to be reduced to \$3.3 million in FY 10. According to an article titled “Corporate Travel Predicted to Drop Through 2010” from marketingforecast.com national corporate travel which typically makes up 40% of the \$212.5 billion travel industry, is expected to decrease to 35%. Assuming the total travel market stays at 2009 levels a 5% decline would translate to a \$10.6 billion drop to \$74.4 billion, down from \$85 billion in 2009 and \$100 billion in 2008. Nassau’s hotel motel tax collections are primarily dependent upon corporate travel.

**Revenues, Cont.**

Departmental Revenues				
Revenue Source	FY 08 Actual	FY 09 Budget	FY 09 Projected	FY 10 Proposed
Advertising Revenue	\$0	\$4,398,000	\$0	\$0
Swimming Pools	1,956,652	2,280,000	1,897,208	2,314,000
Ike Greens Fees White Course	1,440,991	1,765,000	1,466,385	1,863,000
Concessions	1,186,744	1,687,000	1,142,947	1,200,593
Ike Greens Fees Blue Course	1,379,548	1,672,500	1,372,371	1,749,000
Ike Greens Fees Red Course	1,252,099	1,664,500	1,451,234	1,700,000
Greens Fees	1,557,764	1,600,000	1,670,182	1,665,000
Golf Cart Fees	963,358	1,423,000	930,114	1,119,605
Driving Range Fees	955,298	1,180,000	938,151	1,144,300
Cabana Rentals	1,176,730	1,177,000	1,174,185	1,200,000
Athletic Field Fees / Charges	578,961	717,300	701,064	825,400
Leisure Pass Fee	628,254	654,800	712,593	666,100
Ice Rinks	710,137	575,000	514,206	702,000
Old Bethage Hist Vil	383,075	500,000	397,999	618,000
Camping Fees	425,542	462,500	449,252	443,360
Miniature Golf	264,841	355,000	232,948	323,100
Swimming Programs	306,794	347,000	298,792	327,000
Marina Wantagh	322,214	330,000	324,649	400,000
Special Sports Prog	243,320	307,500	243,000	254,500
Summer Day Camps	284,822	285,500	156,000	242,340
Golf Reservation Fees	332,204	271,000	364,327	452,500
Beach Parking	298,977	230,000	284,857	342,000
Picnic Reservation Permits	143,907	227,050	141,626	208,125
Golf Permits	209,600	225,000	200,000	0
Tennis Courts	38,308	209,400	19,200	71,496
Special Use Permits	226,355	170,450	184,000	217,425
Sands Point Preserve	60,283	120,000	60,000	0

Departmental Revenues				
Revenue Source	FY 08 Actual	FY 09 Budget	FY 09 Projected	FY 10 Proposed
Museum Of Nat Histry	86,986	98,500	76,570	103,000
Caddy Cart Fees	56,828	95,000	60,517	73,050
Batting Cage Fees	59,467	90,000	43,526	88,500
Redeemable Certificates	69,038	87,500	70,088	76,600
Launching Ramps	54,150	78,000	50,679	98,550
Ice Skate Rental	67,294	75,000	65,414	67,060
Room Rentals	59,218	75,000	45,116	73,420
Reimb Expenses Igt	52,989	61,000	61,000	0
Movie Admission Fee	22,320	50,000	0	0
Lifestyle Programs	56,299	50,000	79,832	80,000
Alcohol Permits	31,490	36,550	30,839	42,185
Commercial Parking	2,235	21,000	854	0
Rental Of Equipment	23,650	20,000	25,745	33,000
Aerodrome Field Usage Fee	1,312	12,000	8,380	12,000
Misc Receipts	12,349	6,000	6,000	0
Historical Museum	4,900	5,000	1,051	0
Open Space Usage Fee	3,775	4,000	5,555	2,500
Film & Advert Activities	124,325	3,500	95,455	43,800
Roller Skate Admissn	4,672	2,500	2,500	2,000
Service Fees	686	2,500	1,478	0
Welwyn Revenue	1,000	2,000	1,000	1,000
Ice Skate Lockr Fees	702	800	800	200
Ice Skate Sharpening	112	200	320	0
Golf No Show Fee	0	0	12,261	6,000
Museum Passport	0	0	0	7,000
	<b>\$18,122,572</b>	<b>\$25,710,550</b>	<b>\$18,072,270</b>	<b>\$20,858,709</b>

➤ Above is a chart listing the FY 10 Proposed departmental revenues in comparison to 2008 and 2009 data.

➤ Golf permits have been budgeted at zero due to the lack of large-scale tournaments such as Commerce Bank Senior PGA at this time.

**Revenues, Cont.**

- The Executive Budget anticipates large increases in the following areas when compared with FY 09 projections: swimming pools, white course, blue course, red course, Old Bethpage Village and Ice Rinks. OLBR puts approximately \$1.9 million in FY 10 proposed revenue at risk.



**Nickerson Beach**

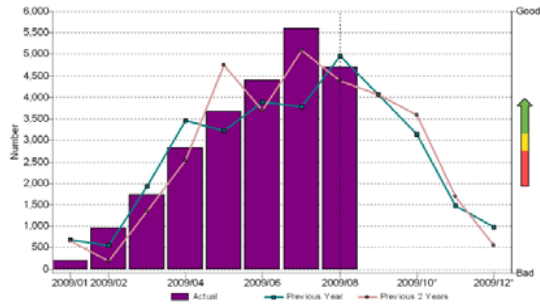


**Cantiague Park**  
Artificial Turf fields

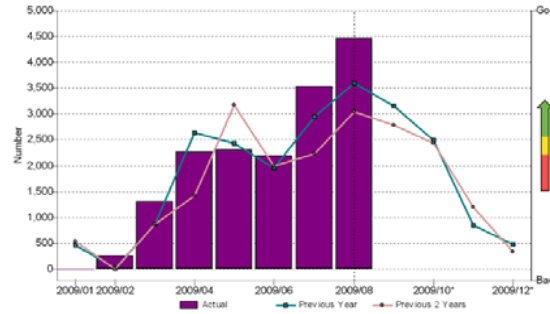


**Bryant Preserve**

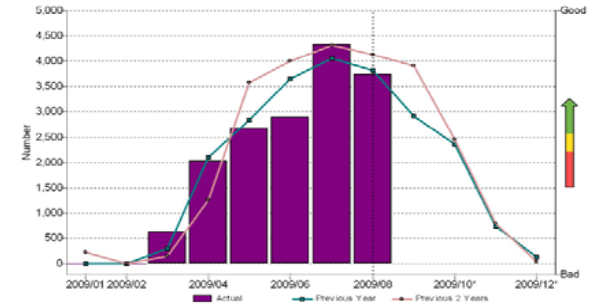
Eisenhower Blue-9 Hole



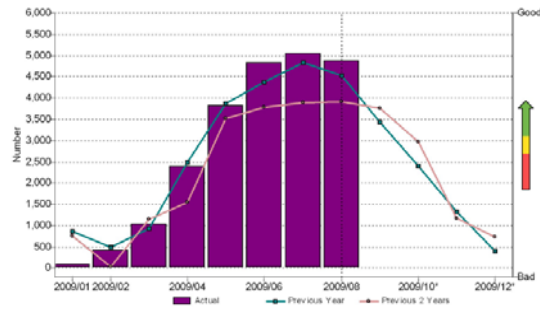
Eisenhower White-9 Hole



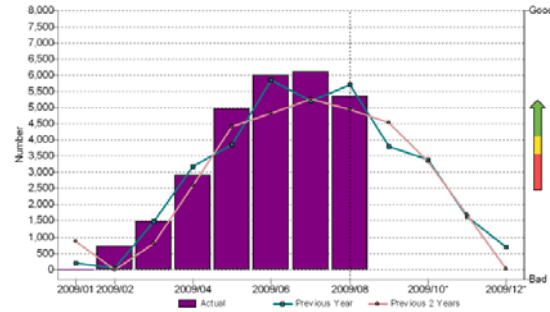
Christopher Morley Park



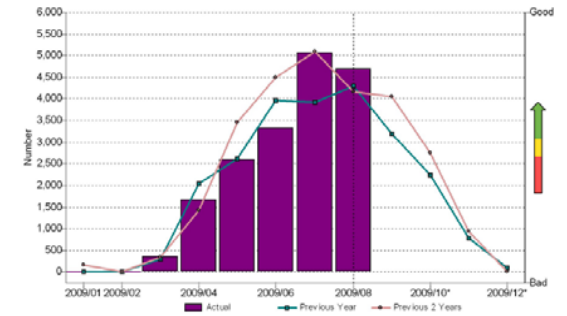
Eisenhower Blue-18 Hole



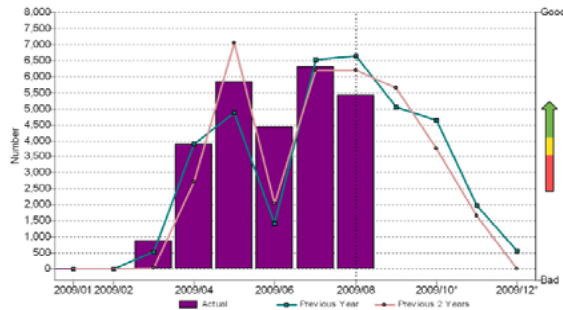
Eisenhower White-18 Hole



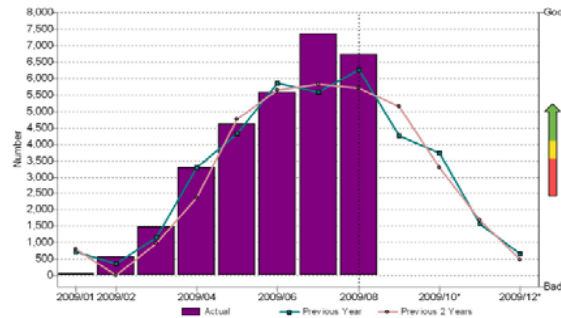
Bay Park



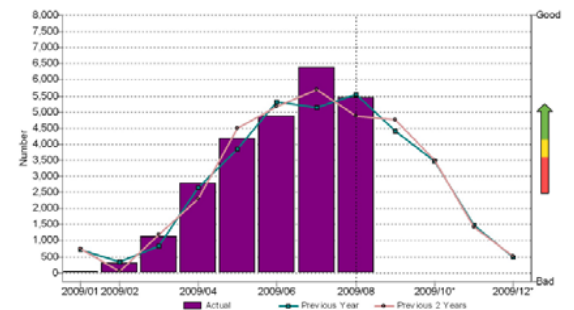
Eisenhower Red-18 Hole



Cantiague Park



North Woodmere Park



2009 2008 2007

Source: Office of Management and Budget

- Year-to-date golf rounds have increased on all Eisenhower courses by an average of 1,420 or 6.5%.
  - The largest round increase was posted by the White-18 Hole course at 1,986. An increase of 7.8%. The largest percentage increase in rounds was posted by the White-9 Hole course at 9.4% or 1,399.
  - The smallest increase was recorded by Blue-18-hole course at 167 or 0.7%.
  
- Year-to-date golf rounds have increased on all Executive courses by an average of 760 or 3.5%.
  - Cantiague Park posted the largest gains at 2,090 rounds or 7.6%
  - Christopher Morley Park was the only Executive course to record a decrease in rounds. Falling 434 rounds or 2.6% to 16,331 rounds year to date.
  - Bay Park and North Woodmere Park have increased on average by 588, or 3.4%, and 795, or 3.3%, respectively.

Expense	Historical		2009		2010	Exec. vs. Adopted		Exec. vs. Projected	
	2007	2008	Adopted Budget	OLBR Projected	Executive Budget	Variance	Percent	Variance	Percent
Full-Time Headcount	265	257	173	148	151	(22)	-12.7%	3	2.0%
Part-Time and Seasonal	645	663	744	586	694	(50)	-6.7%	108	18.4%
Salaries	\$20,725,502	\$20,475,189	\$14,935,893	\$13,272,595	\$13,681,652	(\$1,254,241)	-8.4%	\$409,057	3.1%
Equipment	310,831	271,607	243,500	243,500	190,500	(53,000)	-21.8%	(53,000)	-21.8%
General Expenses	1,640,642	1,298,763	940,512	940,512	631,650	(308,862)	-32.8%	(308,862)	-32.8%
Contractual Services	5,817,637	3,845,533	2,483,000	2,483,000	2,960,600	477,600	19.2%	477,600	19.2%
Inter-Dept. Charges	1,750,477	0	0	0	0	0	*****	0	*****
<b>Total</b>	<b>\$30,245,089</b>	<b>\$25,891,091</b>	<b>\$18,602,905</b>	<b>\$16,939,607</b>	<b>\$17,464,402</b>	<b>(\$1,138,503)</b>	<b>-6.1%</b>	<b>\$524,795</b>	<b>3.1%</b>

**Expenses**

Expenses by Control Center						
(\$'s in millions)						
Control Center	Historical		2009	2010	Exec. vs. Adopted	
	2007	2008	Adopted Budget	Executive Budget	Var.	%
Administration	\$5.4	\$3.1	\$3.6	\$3.6	\$0.0	1.1%
Technical Service	\$8.1	\$7.5	\$0.0	\$0.0	0.0	*****
Recreation Services	7.6	6.6	6.0	5.1	-0.9	-14.8%
Museums	\$4.4	\$4.1	\$4.3	\$4.2	-0.1	-2.5%
Golf Operations	\$4.8	\$4.7	\$4.7	\$4.5	-0.2	-4.0%
<b>Total</b>	<b>\$30.2</b>	<b>\$25.9</b>	<b>\$18.6</b>	<b>\$17.5</b>	<b>-1.1</b>	<b>-6.1%</b>

- The total FY 10 expense budget is decreasing by \$1.1 million or 6.1%. This is largely due removal of various positions.

- OTPS is increasing by \$0.1 million or 3.2% compared to FY 10 projections.
  - The contractual services line is increasing by \$0.5 million over the FY 09 adopted budget. A majority of this increase is due to the Friends of Sands Point contract in the amount of \$0.4 million. This agreement relieves County staff from supporting the facility but a monetary obligation is still required in FY 10.
- The department had 15 employees opt into the 2009 separation incentive.

**Salaries & Headcount**  
 Salaries are decreasing by \$1.3 million or 8.4% from FY 09 Adopted budget. This is mainly due to the elimination of 22 full-time employees from the FY 09 Adopted Budget, but only decreasing by one from headcount levels as of September 1, 2009. The position of Deputy Commissioner in charge of operations will be eliminated from the department, its responsibilities will be absorbed by the Deputy Commissioner for Capital Projects.



Expenses, Cont.

Staffing Analysis						
	<u>FY 09</u>	<u>Sept-09</u>	<u>FY 10</u>	<u>FY 10</u>	<u>Exec. vs</u>	<u>Exec. vs</u>
	<u>Adopted</u>	<u>Actual</u>	<u>Request</u>	<u>Executive</u>	<u>09 Adopt</u>	<u>Actual</u>
<b>CC Full-time Staffing</b>						
Administration	38	33	33	35	(3)	2
Recreation Services	44	32	31	33	(11)	1
Museums	47	39	38	38	(9)	(1)
Golf Operations	44	44	46	45	1	1
<b>Total Full-time</b>	<b><u>173</u></b>	<b><u>148</u></b>	<b><u>148</u></b>	<b><u>151</u></b>	<b><u>(22)</u></b>	<b><u>3</u></b>
<b>CC Part-time and Seasonal</b>						
Administration	28	15	0	41	13	26
Recreation Services	518	402	0	483	(35)	81
Museums	77	69	0	63	(14)	(6)
Golf Operations	121	100	0	107	(14)	7
<b>Total Part-time and Seasonal</b>	<b><u>744</u></b>	<b><u>586</u></b>	<b><u>0</u></b>	<b><u>694</u></b>	<b><u>(50)</u></b>	<b><u>108</u></b>

- Approximately 20 different titles will be eliminated when compared to the 2009 budget including but not limited to Deputy Commissioner of Parks, Secretary to Deputy Commissioner of Parks, two Golf Course Managers, Recreation Specialists and Supervisors. Contrary to the reduction in headcount, part-time and seasonal dollars are increasing by a total of \$0.7 million or 20.9% from the FY 09 adopted budget.

Expense	Historical		2009		2010	Exec. vs. Adopted		Exec. vs. Projected	
	2007	2008	Adopted Budget	OLBR Projected	Executive Budget	Variance	Percent	Variance	Percent
Full-Time Headcount	22	19	21	20	23	2	9.5%	3	15.0%
Part-Time and Seasonal	11	11	10	9	10	0	0.0%	1	11.1%
Salaries	1,620,449	1,643,580	1,800,433	1,635,478	1,865,026	64,593	3.6%	229,548	14.0%
Equipment	34,628	0	0	0	0	0	*****	0	*****
General Expenses	24,263	13,219	59,379	59,379	49,875	(9,504)	-16.0%	(9,504)	-16.0%
Contractual Services	380,686	768,159	173,650	183,650	75,150	(98,500)	-56.7%	(108,500)	-59.1%
Var Direct Expenses	0	0	225,000	225,000	225,000	0	0.0%	0	0.0%
Inter-Dept. Charges	0	0	1,466,945	1,466,945	1,286,001	(180,944)	-12.3%	(180,944)	-12.3%
Metro Subn Bus Auth	7,800,000	7,500,000	7,500,000	7,500,000	5,700,424	(1,799,576)	-24.0%	(1,799,576)	-24.0%
LIRR Station Maint.	24,550,063	25,497,695	26,481,771	25,734,824	26,168,498	(313,273)	-1.2%	433,674	1.7%
Mta-Lirr Op Assist.	11,583,792	11,583,792	11,583,792	11,583,792	11,583,792	0	0.0%	0	0.0%
Handicp Trans System (5	3,000,000	3,000,000	3,000,000	3,000,000	2,264,962	(735,038)	-24.5%	(735,038)	-24.5%
Bus Rte-Pt Lookout	75,000	75,000	75,000	75,000	75,000	0	0.0%	0	0.0%
<b>Total</b>	<b>\$49,068,881</b>	<b>\$50,081,445</b>	<b>\$52,365,970</b>	<b>\$51,464,068</b>	<b>\$49,293,728</b>	<b>(\$3,072,242)</b>	<b>-5.9%</b>	<b>(\$2,170,340)</b>	<b>-4.2%</b>

**Expenses**

- The Planning department is divided in two parts, the Comprehensive Planning division and the Transportation division. The Comprehensive Planning division is responsible for subdivision applications.
- The Transportation division is charged by the Federal Transit Administration to exercise oversight over MTA Long Island Bus. Approximately 93% of the total expense budget is allocated to subsidize mass transportation.
- Total expenses for the Department are falling 5.9% from the adopted 2009 level, and 4.2% from OLBR’s 2009 projection.
- The department’s salary line is increasing 3.6% compared to the 2009 adopted to enable the department to fill its vacant positions as well as fund CSEA step increases and contractual obligations.

**Expenses, Cont.**

- 2010 contractual service spending for the department is decreasing \$98,500 or 56.7% compared to the budgeted 2009 level.
  - The line includes funding for stenographer services, color copier maintenance, and soil and water testing.
- The various direct expenses line includes funding for the Long Island Regional Planning Board Council. Funding is remaining constant at the FY 09 adopted level.
- The \$1.3 million included in interdepartmental charges are decreasing due to lower information technology charges.
- The 1.7% proposed budget to 2009 projection increase in the LIRR Station Maintenance payment represents the estimate of the increase in the regional consumer price index. The station maintenance payment is contractually set to increase each year by the percentage growth recorded in the regional consumer price index, CPI.

**Long Island Bus**

- Long Island Bus continues to operate with deficits.
- In 2009, LI Bus is forecasting a \$93.2 million baseline deficit. In 2010, this baseline deficit is expected to grow to \$97.5 million or 4.6%.
- The baseline deficits are still present even after a 10% fare increase in June 2009. The baseline deficits are prior to receipt of any State, County or MTA subsidies.

- LI Bus states that “subsidy funding remains an overriding issue as LI Bus seeks additional assistance from Nassau County to meet new needs and cover the basic effects of inflation.”<sup>1</sup>
- It is recommended in the Ravitch Report that all bus companies located in the metropolitan area merge into one single MTA Regional Bus Authority.<sup>2</sup>
- It is further recommended that all counties within the MTA district enter into agreements for MTA assumption of bus service. Long Island Bus hopes that the new agreements will eliminate the annual funding uncertainties which it faces regarding subsidy revenues.

<b>Mass Transportation Control Center 35</b>			
	<b>FY 09</b>	<b>Departmental</b>	<b>Executive</b>
<b>Mass Transportation (MM)</b>	<b>Budget</b>	<b>Request</b>	<b>FY 10</b>
630 Metropolitan Suburban Bus Authority	\$7,500,000	\$7,500,000	\$5,700,424
631 LIRR Station Maintenance	26,481,771	26,168,498	26,168,498
632 MTA-LIRR Operating Assistance	11,583,792	11,583,792	11,583,792
635 Handicapped Transportation System	3,000,000	3,000,000	2,264,962
<b>Other Expenses (OO)</b>			
6H Lido Beach Bus Route	75,000	75,000	75,000
<b>Total Mass Transportation CC 35</b>	<b>\$48,640,563</b>	<b>\$48,327,290</b>	<b>\$45,792,676</b>

- The 2010 proposed budget for the Nassau County Planning Department includes \$8 million in funding for LI Bus.
- The subsidy payment is broken into two parts: the fixed route, Metropolitan Suburban Bus Authority subsidy of \$5.7 million and the paratransit, Handicapped Transportation System subsidy of \$2.3 million.

<sup>1</sup> MTA Long Island Bus, “July Financial Plan 2010 – 2013”.

<sup>2</sup> Ravitch, Richard, et. Al, “Report To Governor David A. Paterson”, Commission on Metropolitan Transportation Authority Financing, December 2, 2008.

- The Administration has introduced technical adjustments which would decrease the LI Bus fixed route subsidy by an additional \$212,861 and reduce the para-transit subsidy by an additional \$85,145.
- Including the technical adjustments, the 2010 LI Bus subsidy payments represent a \$2.8 million cut from the adopted 2009 level. This reduction equals the estimated MTA mobility tax payment. The expense is accounted for in the Fringe Benefits budget and is further detailed in the Fringe Benefits section.
- Although the total proposed payment made for the MTA is unchanged, since the payments are made to independent authorities the reduction in LI Bus subsidy payments will harm LI Bus.
- LI Bus does not collect/retain any mobility tax revenues and has a larger deficit as a result of the reduction. LI Bus must also pay the mobility tax to fund the MTA Capital Finance Authority.
- According to the Ravitch Report, page 16, collections from the mobility tax would be set aside in a “lockbox” for the MTA Capital Finance Authority.
- The LI Bus Financial chart reveals that at the proposed 2010 Nassau County subsidy level, LI Bus will be operating with a net deficit.
- By reducing Nassau County’s subsidy payment as LI Bus’s revenues and expenses have risen, Nassau County’s LI Bus subsidy payment now covers fewer expenses and comprises a smaller percentage of total LI Bus revenues
- It is unclear how LI Bus will close the FY 09 or FY 10 operating gaps.

<b>Revenues</b>				
<b>(Figures in Millions, Accrual Basis)</b>				
	Mid-Year	Preliminary	Variance	Percentage
<b>Name</b>	<b>2009 Forecast</b>	<b>Budget, July 2010</b>	<b>between 2010 and 2009</b>	<b>Change between 2010</b>
Farebox Revenue	\$42.4	\$43.8	\$1.4	3.3%
Other Operating Revenue	2.4	2.3	(0.0)	-1.3%
Capital and Other Reimbursements	7.0	7.2	0.2	2.3%
<b>Total Receipts</b>	<b>51.8</b>	<b>53.3</b>	<b>1.5</b>	<b>3.0%</b>
<b>Expenses</b>				
	Mid-Year	Preliminary	Variance	Percentage
<b>Name</b>	<b>2009 Forecast</b>	<b>Budget, July 2010</b>	<b>between 2010 and 2009</b>	<b>Change between 2010</b>
Salaries (Payroll & Overtime)	\$72.6	\$74.3	\$1.7	2.3%
Fringe (Health & Welfare, Pensions & Other)	27.8	29.2	1.4	5.1%
Fuel for Buses and Trains	8.5	11.1	2.6	30.6%
Maintenance and Other Operating				
Contracts	10.8	10.5	(0.3)	-2.8%
Other Non-Labor	14.6	14.9	0.3	2.2%
<b>Total Expenses</b>	<b>134.4</b>	<b>140.1</b>	<b>5.7</b>	<b>4.3%</b>
<b>Baseline Deficit (After Expense &amp; GASB Adj.)</b>	<b>(93.2)</b>	<b>(97.5)</b>	<b>(4.2)</b>	<b>4.6%</b>
<b>Subsidies</b>				
	Mid-Year	Preliminary	Variance	Percentage
<b>Name</b>	<b>2009 Forecast</b>	<b>Budget, July 2010</b>	<b>between 2010 and 2009</b>	<b>Change between 2010</b>
MTA Subsidy	\$0.0	\$0.0	\$0.0	*****
State Subsidy	0.0	0.0	0.0	*****
Nassau County Subsidy	10.5	8.0	(2.5)	*****
<b>Total Subsidies</b>	<b>10.5</b>	<b>8.0</b>	<b>(2.5)</b>	<b>*****</b>
<b>Net Surplus (Deficit)</b>	<b>(\$82.7)</b>	<b>(\$89.5)</b>	<b>(\$6.8)</b>	<b>8.2%</b>

Revenue	Historical		2009		2010	Exec. vs. Adopted		Exec. vs. Projected	
	2007	2008	Adopted Budget	OLBR Projected	Executive Budget	Variance	Percent	Variance	Percent
Fines & Forfeits	\$0	\$0	\$10,000	\$10,000	\$10,000	\$0	0.0%	\$0	0.0%
Rents & Recoveries	(1,791)	327,124	0	0	0	0	*****	0	*****
Dept Revenues	2,676,017	1,203,336	1,360,000	1,098,150	1,386,750	26,750	2.0%	288,600	26.3%
Cap Backcharges	4,538	0	33,191	33,191	237,297	204,106	614.9%	204,106	614.9%
Interfund Charges Rev	18,489	0	33,998	33,998	291,000	257,002	755.9%	257,002	755.9%
Fed Aid-Reimb Of Exp	468,951	45,641	25,000	25,000	25,000	0	0.0%	0	0.0%
<b>Total</b>	<b>\$3,166,203</b>	<b>\$1,576,100</b>	<b>\$1,462,189</b>	<b>\$1,200,339</b>	<b>\$1,950,047</b>	<b>\$487,858</b>	<b>33.4%</b>	<b>\$749,708</b>	<b>62.5%</b>

**Revenues**

- Total revenues for the Planning Department are budgeted to increase 33.4% from the 2009 budgeted level.
- The increase is a result of greater capital backcharges and interfund charge revenues.
- The departmental revenues budget allocation is itemized below.

Planning Departmental Revenues Itemization		
Revenue Source	2009 Adopted Budget	2010 Proposed Budget
Fees	\$500,000	\$300,000
Subdivision Inspection Fees	0	288,600
Film & Advertising Activities	10,000	11,150
Concessions	850,000	787,000
<b>Total</b>	<b>\$1,360,000</b>	<b>\$1,386,750</b>

- The \$237,297 capital backcharge revenues are for SEQRA related Hub and Master Plan work.
- As the department’s employees are devoting more time to Hub and Master Plan work, their salaries are being charged back to the respective capital project.
- Federal Aid for the department is unchanged at the adopted 2009 level. The aid money is received as reimbursement from a Town of North Hempstead project. It is available from a federal drawdown.
- The department receives interfund charges revenue from the Grant fund for reimbursable overhead costs. These revenues are budgeted to increase \$257,002 from the adopted 2009 level.

- The average subdivision inspection fee is estimated to be \$780 per unit. The Department anticipates collecting the fee on 370 units for \$288,600 in 2010.

Expense	Historical		2009		2010	Exec. vs. Adopted		Exec. vs. Projected	
	2007	2008	Adopted Budget	OLBR Projected	Executive Budget	Variance	Percent	Variance	Percent
Full-Time Headcount	510	490	706	610	634	(72)	-10.2%	24	3.9%
Part-Time and Seasonal	136	121	107	68	152	45	42.1%	84	123.5%
Salaries	34,762,712	33,359,728	49,416,034	42,674,970	43,406,218	(6,009,816)	-12.2%	731,248	1.7%
Workers Compensation	0	1,692,563	1,139,080	1,392,419	1,562,978	423,898	37.2%	170,559	12.2%
Equipment	176,107	55,030	686,975	650,000	483,930	(203,045)	-29.6%	(166,070)	-25.5%
General Expenses	4,064,145	3,890,438	7,896,489	7,096,489	7,013,816	(882,673)	-11.2%	(82,673)	-1.2%
Contractual Services	7,834,204	7,509,595	8,660,894	8,225,894	7,393,863	(1,267,031)	-14.6%	(832,031)	-10.1%
Utility Costs	28,884,596	30,728,948	31,072,200	28,735,454	28,837,999	(2,234,201)	-7.2%	102,545	0.4%
Inter-Dept. Charges	5,499,325	4,286,085	11,419,601	11,419,601	8,057,244	(3,362,357)	-29.4%	(3,362,357)	-29.4%
<b>Total</b>	<b>\$81,221,088</b>	<b>\$81,522,386</b>	<b>\$110,291,273</b>	<b>\$100,194,827</b>	<b>\$96,756,048</b>	<b>(\$13,535,225)</b>	<b>-12.3%</b>	<b>(\$3,438,779)</b>	<b>-3.4%</b>

## Expenses

Expenses by Control Center						
(\$'s in millions)						
Control Center	Historical		2009	2010	Exec. vs. Adopted	
	2007	2008	Adopted Budget	Exec. Budget	Var.	%
Administration	\$3.3	\$5.0	\$4.7	\$4.5	-\$0.2	-4.2%
Highways And Engineering	17.9	16.8	17.5	14.5	-3.0	-17.1%
Roads & Bridge Maintenance	54.6	54.6	73.5	64.4	-9.1	-12.4%
Fleet Management	5.6	5.1	14.6	13.4	-1.3	-8.6%
<b>Total</b>	<b>\$81.4</b>	<b>\$81.5</b>	<b>\$110.3</b>	<b>\$96.8</b>	<b>-\$13.5</b>	<b>-12.3%</b>

- The chart above shows DPW's expenses by control center. As can be seen, reductions are spread throughout all of the divisions.

- DPW's proposed FY 10 budget is decreasing by \$13.5 million, or 12.3%, from the FY 09 adopted. Every expense category except workers compensation has been cut.
- The proposed budget contains 72 fewer full-time positions than the FY 09 adopted. The salaries line has decreased by \$6.0 million, or 12.2%.
- The OTPS appropriation, less interdepartmental charges and utilities, has been lowered by 13.6%. The department intends to eliminate all non-essential equipment and supplies.
- The FY 09 contractual services line contained funding for a traffic computer maintenance contract. That expense has been moved to the capital budget.
- Based on current and projected future energy costs, the 2010 utilities budget seems reasonable.

Expenses, Cont.

	Full-Time Staffing Analysis					
	FY 09	Sept-09	FY 10	FY 10	Exec. vs	Exec. vs
	<u>Adopted</u>	<u>Actual</u>	<u>Request</u>	<u>Executive</u>	<u>09 Adopt</u>	<u>Actual</u>
<b>00 Division of Administration</b>						
Capital Management Office	3	2	2	0	(3)	(2)
Administration Unit	41	37	35	40	(1)	3
<b>Total for Control Center</b>	<b>44</b>	<b>39</b>	<b>37</b>	<b>40</b>	<b>(4)</b>	<b>1</b>
<b>01 Division of Engineering</b>						
Architect./Building Design	10	11	9	11	1	0
Water/Wastewater Engr. Unit	27	25	24	24	(3)	(1)
Groundwater Remed. Sect.	3	2	2	2	(1)	0
Civil/Site Engineering Unit	18	10	10	11	(7)	1
Traffic Engineering Unit	24	18	19	19	(5)	1
Traffic Safety Board	2	2	2	2	0	0
Construction Mgmt. Unit	53	44	43	51	(2)	7
<b>Total for Control Center</b>	<b>137</b>	<b>112</b>	<b>109</b>	<b>120</b>	<b>(17)</b>	<b>8</b>
<b>02 Division of Operations</b>						
Facil. Mgmt. Unit	104	111	112	167	63	56
Police Custodial (PDD)	18	21	21	0	(18)	(21)
Police Custodial (PDH)	8	0	0	0	(8)	0
Facil. Mgmt. Unit-Pools & Rinks	12	10	10	0	(12)	(10)
Parks Maintenance	92	67	70	0	(92)	(67)
PD Building Mngment Unit (PDD)	0	4	4	0	0	(4)
PD Building Mngment Unit (PDH)	15	0	0	0	(15)	0
Road Maint. Unit	117	108	110	161	44	53
Bridge Operations Section	11	10	11	11	0	1
Drain Maint/Strm Wtr Maint.	24	22	22	22	(2)	0
Mosquito Control Section	5	4	4	5	0	1
Traffic Maintenance Section	14	11	12	12	(2)	1
<b>Total for Control Center</b>	<b>420</b>	<b>368</b>	<b>376</b>	<b>378</b>	<b>(42)</b>	<b>10</b>
<b>03 Division of Fleet Management</b>						
Fleet Management	33	30	30	33	0	3
Police Fleet Group (PDD)	72	61	61	63	(9)	2
	<b>105</b>	<b>91</b>	<b>91</b>	<b>96</b>	<b>(9)</b>	<b>5</b>
<b>Total Full-time</b>	<b><u>706</u></b>	<b><u>610</u></b>	<b><u>613</u></b>	<b><u>634</u></b>	<b><u>(72)</u></b>	<b><u>24</u></b>

**Full-Time Headcount**

The chart at the left details DPW's full-time staffing. It also reflects the consolidation of a number of responsibility centers "to centralize the funding and operations." Much of the re-organization involves integrating the parks and police units that transferred into DPW as part of the FY 09 budget process.

In total, DPW's budgeted headcount is decreasing by 72 full-time positions. The separation incentive was opted into by 65 of the department's employees, including 10 civil engineers, 7 equipment operators, 6 laborers, 4 grounds-keepers, 4 police auto mechanics, 3 custodial workers, 3 carpenters.

The September 1, 2009 headcount of 610 full-time employees leaves 24 positions to be hired. DPW plans to target its most critical hiring needs.

<b>Part-Time and Seasonal Staffing Analysis</b>						
	<u>FY 09</u> <u>Adopted</u>	<u>Sept-09</u> <u>Actual</u>	<u>FY 10</u> <u>Request</u>	<u>FY 10</u> <u>Executive</u>	<u>Exec. vs</u> <u>09 Adopt</u>	<u>Exec. vs</u> <u>Actual</u>
<b>00 <u>Division of Administration</u></b>						
Administration Unit	9	7	0	7	(2)	0
<b>01 <u>Division of Engineering</u></b>						
Civil/Site Engineering Unit	0	2	0	2	2	0
<b>Total for Control Center</b>	0	2	0	2	2	0
<b>02 <u>Division of Operations</u></b>						
Facil. Mgmt. Unit	8	9	0	43	35	34
Police Custodial (PDD)	1	1	0	0	(1)	(1)
Facil. Mgmt. Unit-Pools & Rinks	3	2	0	0	(3)	(2)
Parks Maintenance	55	17	0	0	(55)	(17)
PD Building Mngment Unit (PDD)	0	1	0	0	0	(1)
Road Maint. Unit	28	26	0	82	54	56
Snow Operations	0	0	0	15	15	15
<b>Total for Control Center</b>	95	56	0	140	45	84
<b>03 <u>Division of Fleet Management</u></b>						
Fleet Management	3	3	0	3	0	0
<b>Total Part-time and Seasonal</b>	<b><u>107</u></b>	<b><u>68</u></b>	<b><u>0</u></b>	<b><u>152</u></b>	<b><u>45</u></b>	<b><u>84</u></b>

**Part-Time Headcount**

The proposed part-time headcount is increasing by 45 positions from the FY 09 budget, and 84 from the September 1 actual.

Seasonal dollars are increasing from \$324,600 to \$554,600, and by 29 positions, to 75. The title budgeted is Laborer I Seasonal.

Part-time positions are increasing by 16 to 77, with a budget of \$1.1 million, or \$511,206 more than FY 09. These include 32 laborers, 22 automobile mechanics, 15 snow removers, 14 Park Worker Part-Time, 8 clerks, and 3 maintenance mechanics.



Revenue	Historical		2009		2010	Exec. vs. Adopted		Exec. vs. Projected	
	2007	2008	Adopted Budget	OLBR Projected	Executive Budget	Variance	Percent	Variance	Percent
Permits & Licenses	\$272,992	\$206,025	\$190,000	\$408,849	\$285,000	\$95,000	50.0%	(\$123,849)	-30.3%
Rents & Recoveries	1,084,178	2,441,810	72,000	102,000	72,000	0	0.0%	(30,000)	-29.4%
Dept Revenues	1,018,855	731,538	927,000	1,030,831	920,000	(7,000)	-0.8%	(110,831)	-10.8%
Cap Backcharges	6,532,864	5,536,683	5,155,443	4,155,443	4,535,883	(619,560)	-12.0%	380,440	9.2%
Interdept Revenues	4,313,671	5,271,452	23,400,358	23,400,358	15,690,176	(7,710,182)	-32.9%	(7,710,182)	-32.9%
Interfund Charges Rev	3,667,699	3,640,529	4,615,276	4,615,276	3,630,000	(985,276)	-21.3%	(985,276)	-21.3%
Fed Aid-Reimb Of Exp	0	0	580,000	0	0	(580,000)	-100.0%	0	*****
State Aid-Reimb Of Exp	64,532	149,393	55,000	55,000	55,000	0	0.0%	0	0.0%
<b>Total</b>	<b>\$16,954,791</b>	<b>\$17,977,431</b>	<b>\$34,995,077</b>	<b>\$33,767,757</b>	<b>\$25,188,059</b>	<b>(\$9,807,018)</b>	<b>-28.0%</b>	<b>(\$8,579,698)</b>	<b>-25.4%</b>

**Revenues**

- DPW’s proposed FY 10 revenue budget is decreasing by \$9.8 million, or 28.0%, from the FY 09 adopted amount. Most of this decrease results from the \$7.7 million reduction in interdepartmental revenues, which is received for work done by DPW on behalf of other departments. The largest FY 10 component is \$10.5 million for Police Department fleet management charges.
- Capital back-charges are generated by those operating costs related to capital project planning carried out by DPW personnel, which are charged back to the appropriate capital project in order to match the useful life of the asset with the true costs incurred. The FY 10 decrease is related to the smaller DPW staff.
- The FY 09 budget for federal aid was based on DPW receiving 80% reimbursement of the amount spent on the traffic computer maintenance contract. This item has been moved to the Capital Budget.

- The \$3.6 million for interfund charges is reimbursement received for costs associated with the Mitchel Field sites.
- FY 09 projections are expected to exceed budget due to the collection of some overdue accounts receivable booked to permits and licenses. The proposed budget does not assume the continuation of that revenue.
- The chart below details DPW’s departmental revenues.

Revenue Source	Departmental Revenues			
	FY 08 Actual	FY 09 Budget	FY 09 Projected	FY 10 Proposed
239-K Review	60,030	\$58,000	\$33,925	58,000
Fees	533	0	0	0
Misc Receipts	571,576	617,000	771,345	610,000
Non-Stormwater Discharges	2,975	10,000	1,000	10,000
Plans	57,191	51,000	87,605	51,000
Reimb Expenses IGT	22,153	0	31,701	0
Reimb Expenses General	0	25,000	25,000	25,000
Rule Book Sales	2,245	1,000	2,780	1,000
Subdivision Plan Review 080A	0	150,000	34,309	150,000
Subdivision Plan Review 9868	14,835	15,000	43,166	15,000
	<b>\$731,538</b>	<b>\$927,000</b>	<b>\$1,030,831</b>	<b>\$920,000</b>

**Finance Authority and District**

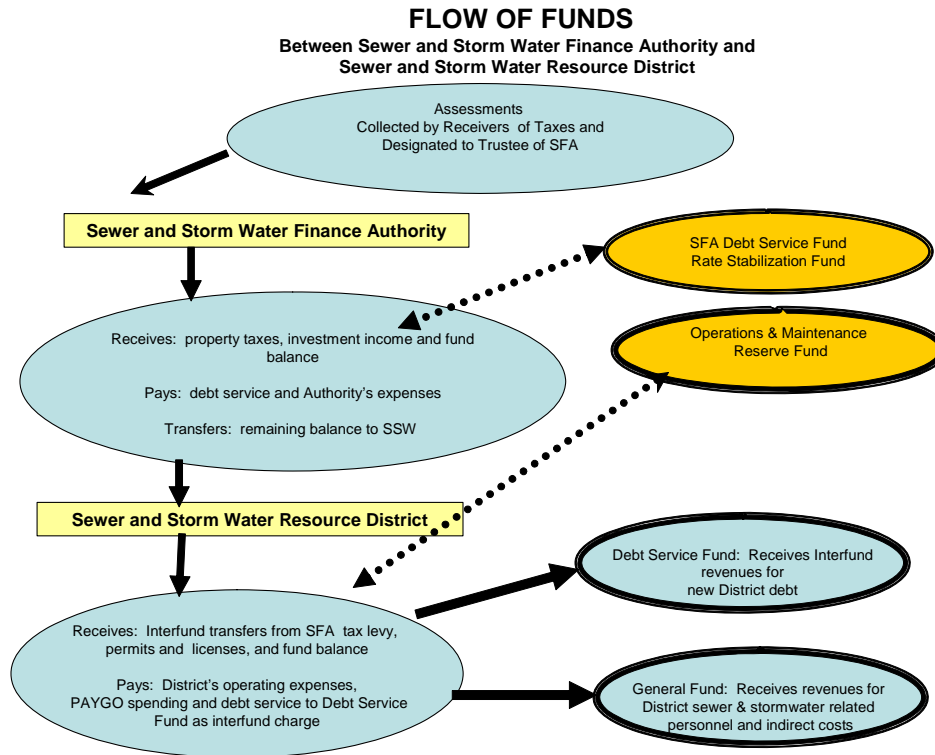
The Nassau County Sewer and Storm Finance Authority (the Authority) and a consolidated County-Wide Sewer & Storm Water District (the District) were established in 2003 to work collectively to carry out the County's sewer and storm water functions in a fiscally prudent and efficient manner. The Authority serves as a monetary instrument only, whose role is to refinance outstanding sewer and storm water resources debt issued by the County and to finance future County sewer and storm water resources projects within a \$350 million cap. In 2004, the County and the Authority entered into a Financing Agreement setting forth the financial relationships of the entities.

A single District replaced 27 collection and 3 disposal districts. All of the rights, privileges, duties, responsibilities, and obligations of these collection and disposal districts were placed solely under the purview of the newly formed District. In addition, at the time of enactment all funds remaining in the prior districts were transferred to the Authority for capital needs, debt service and reserves.

As part of the 2003 legislation, the County implemented a rate stabilization program with the following assessment/zone requirements:

1. No increase from the sewer tax levy set in 2003 until 2007.
2. The County would transition to three zones of assessment by 2014 as follows:
  - one County-wide assessment zone for storm water services,
  - one zone of assessment for sewage collection and sewage disposal, and
  - one sewage disposal only assessment zone.
3. No separate assessment for storm water resources during the rate stabilization transition period.
4. Taxes will be sent to the Town Receivers of Taxes and then directed to a trustee to ensure payment of Authority bonds.

The process of rate stabilization or harmonization has already begun County-wide.



- The Authority retains the amount needed to settle obligations and then transfers the balance to the District. The District appropriates the amounts needed to settle its operating expenses and capital pay as you go spending. These amounts are categorized as interfund transfers (IF) from the Authority’s tax levy, permits and licenses, and fund balance. Related interfund revenues are booked to General Fund unallocated charges revenue (BW) for sewer and storm water districts.
- Reserve funds established under the Authority include the debt service fund and the Rate-Stabilization Reserve Fund. Both funds are held in trust by the Trustee until needed.
- The restriction that the Rate Stabilization Reserve Fund does not fall below \$7.0 million expired in 2006. The debt service fund includes a separate account for each series of bonds. There are no requirement limits set for the debt service reserve fund.
- The County established an Operations and Maintenance Reserve Fund (O&M Fund) for the District, funded in an amount equal to 25% of the District’s operating expense budgeted for the year. The O&M Fund is not considered as available for operating expenses. However, according to the Financing Agreement, monies in the O&M Fund may be used to fund debt service.

**Flow of Funds**

- Sewer tax assessments are collected and designated to a trustee by the Receiver of Taxes. The taxes flow to the Authority to first settle all of its financing obligations for debt service and operating expenses. In addition to property taxes, the Authority also earns investment income on reserve balances.

**FY 2009 Budget - Sewer and Storm Water Finance Authority:**

Expense	Historical		2009		2010	Exec. vs. Adopted		Exec. vs. Projected	
	2007	2008	Adopted Budget	OLBR Projected	Executive Budget	Variance	Percent	Variance	Percent
NIFA Set Aside	\$24,348	\$1,435,193	\$0	\$0	\$0	\$0	*****	\$0	*****
General Expenses	71	5,222,164	0	0	0	0	*****	0	*****
Contractual Services	468,965	566,095	1,000,000	1,000,000	1,000,000	0	0.0%	0	0.0%
Interest	5,012,531	4,868,294	9,105,435	9,105,435	8,281,840	(823,595)	-9.0%	(823,595)	-9.0%
Principal	3,225,000	3,295,000	10,080,000	10,080,000	7,269,191	(2,810,809)	-27.9%	(2,810,809)	-27.9%
Trans Out To SSW	166,239,926	77,413,160	0	62,183,470	0	0	*****	(62,183,470)	-100.0%
Transfer To Bond Escrow	0	45,779,795							
Tran To SSW For Debt S	0	40,135,539	90,346,380	29,175,391	99,869,560	9,523,180	10.5%	70,694,169	242.3%
<b>Total</b>	<b>\$174,970,841</b>	<b>\$178,715,240</b>	<b>\$110,531,815</b>	<b>\$111,544,296</b>	<b>\$116,420,591</b>	<b>\$5,888,776</b>	<b>5.3%</b>	<b>\$4,876,295</b>	<b>4.4%</b>

**Expenses**

- FY 10 expenses for the Sewer & Storm Water Finance Authority are increasing by 5.3%, or \$5.9 million, when compared to the FY 09 adopted.
- SFA retains sufficient funding to pay its operating expenses and debt service costs, and transfers the remainder to the District.
- Although the District expenses are decreasing in FY 10, the transfer from SFA is increasing by \$9.5 million. This is due to a \$6.7 million reduction in District fund balance appropriation for FY 10.
- Contractual services remain at FY 09 levels. These costs represent fees for letters of credit, rating agency fees, audit fees and miscellaneous fees.
- SFA debt service in FY 10 of \$15.6 million has grown by \$823,595 in interest and \$2.8 million for principal.

Revenue	Historical		2009		2010	Exec. vs. Adopted		Exec. vs. Projected	
	2007	2008	Adopted Budget	OLBR Projected	Executive Budget	Variance	Percent	Variance	Percent
Fund Balance	\$0	\$0	\$0	\$0	\$0	\$0	*****	\$0	*****
Invest Income	230,382	664,065	500,000	500,000	388,776	(111,224)	-22.2%	(111,224)	-22.2%
D/S from Capital	0	1,081,295	0	0	0	0	*****	0	*****
Interfund Transfers	18,994,324	0	0	0	0	0	*****	0	*****
Property Tax	118,934,416	103,940,157	110,031,815	110,031,815	116,031,815	6,000,000	5.5%	6,000,000	5.5%
<b>Total</b>	<b>\$138,159,122</b>	<b>\$105,685,517</b>	<b>\$110,531,815</b>	<b>\$110,531,815</b>	<b>\$116,420,591</b>	<b>\$5,888,776</b>	<b>5.3%</b>	<b>\$5,888,776</b>	<b>5.3%</b>

**Revenue**

- Revenue is rising in FY 10 by \$5.9 million or 5.3%, due to a property tax increase of \$6.0 million, or 5.5% over that of FY 09.
- The hike in property tax is offset by a decline in investment income by \$111,224, or 22.2%, when compared to the adopted FY 09 budget.

Sewer and Storm Water Financing Authority					
MultiYear Plan					
		2010 Budget	2011 Plan	2012 Plan	2013 Plan
<b>EXPENSE</b>					
DE	Contractual Services	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000
FF	Interest	8,281,840	7,954,231	7,642,123	7,274,480
GG	Principal	7,269,191	7,332,900	7,771,610	7,925,176
LZ	Transfer Out To SSW	99,869,560	100,126,862	100,003,425	100,212,150
<b>Expense Total</b>		<b>116,420,591</b>	<b>116,413,993</b>	<b>116,417,158</b>	<b>116,411,806</b>
<b>REVENUE</b>					
BE	Inv. Income	388,776	382,178	385,343	379,991
TL	Property Tax	116,031,815	116,031,815	116,031,815	116,031,815
<b>Revenue Total</b>		<b>\$116,420,591</b>	<b>\$116,413,993</b>	<b>\$116,417,158</b>	<b>\$116,411,806</b>

- The table above indicates the Administration’s MYP baseline for the for the Authority will remain at FY 10 levels.

**Sewer and Storm Water Resource District:**

Expense	Historical		2009		2010	Exec. vs. Adopted		Exec. vs. Projected	
	2007	2008	Adopted Budget	OLBR Projected	Executive Budget	Variance	Percent	Variance	Percent
Full-Time Headcount	290	290	334	262	290	(44)	-13.2%	28	10.7%
Part-Time and Seasonal	11	8	13	2	1	(12)	-92.3%	(1)	-50.0%
Salaries	19,820,148	19,073,436	23,451,834	18,002,790	19,905,330	(3,546,504)	-15.1%	1,902,540	10.6%
Fringe Benefits	9,269,800	9,308,233	10,707,199	9,318,291	9,545,432	(1,161,767)	-10.9%	227,141	2.4%
Equipment	431,807	391,117	290,500	244,020	299,000	8,500	2.9%	54,980	22.5%
General Expenses	9,391,407	7,776,197	14,504,872	12,184,092	14,615,801	110,929	0.8%	2,431,709	20.0%
Contractual Services	19,765,872	19,115,105	21,211,289	21,211,289	21,867,272	655,983	3.1%	655,983	3.1%
Utility Costs	12,520,731	13,335,520	16,093,185	11,580,272	14,782,498	(1,310,687)	-8.1%	3,202,226	27.7%
Interest	9,690,325	8,723,100	9,585,150	9,585,150	11,351,775	1,766,625	18.4%	1,766,625	18.4%
Principal	30,217,301	29,465,689	25,230,500	25,230,500	22,045,500	(3,185,000)	-12.6%	(3,185,000)	-12.6%
Interfund Charges	26,182,803	25,876,355	29,334,124	29,334,124	27,426,600	(1,907,524)	-6.5%	(1,907,524)	-6.5%
Operations & Maintenance	0	0	26,439,719	26,436,719	24,350,674	(2,089,045)	-7.9%	(2,086,045)	-7.9%
Other Suits & Damages	0	0	500,000	500,000	512,500	12,500	2.5%	12,500	2.5%
<b>Total</b>	<b>\$137,290,193</b>	<b>\$133,064,753</b>	<b>\$177,348,372</b>	<b>\$163,627,248</b>	<b>\$166,702,382</b>	<b>(\$10,645,990)</b>	<b>-6.0%</b>	<b>\$3,075,134</b>	<b>1.9%</b>

**Expenses**

- FY 10 expenditures are declining by 6.0%, or \$10.6 million compared to the FY 09 adopted, as a result of reductions in salaries, fringe benefits, utility costs, debt service principal, interfund charges and use of the operations and maintenance reserve fund.
- When comparing the FY 10 budget to that of the current year, salaries are decreasing by 15.1% but relative to the OLBR projected number, salaries are increasing 10.6%, or \$1.9 million. These costs are for sewer related personnel and do not include salaries that are paid to the General Fund for Public Works employees who are assigned to storm water functions.
- For the past several years, the Department of Public Works (DPW) has been dealing with an ongoing issue of a significant number of funded vacant positions. Currently, there are 72 vacancies in the adopted FY 09 budget including among others, Sewer Maintenance Workers I and II, Equipment Operators I, Sewage Treatment Operators, Sewage Treatment Plant Supervisors I and II and Sewage Treatment Chemists I. The FY 10 budget has eliminated funding for 44 vacancies bringing headcount closer to actual levels.
  - Adding to the vacancies, 14 District employees opted into the separation incentive program.

**Expenses, Cont.**

- OTPS costs for equipment, general expenses, and contractual services are increasing budget to budget by \$775,412, or 2.2%.
- Contractual services is growing by \$655,000, mainly due to a \$2.2 million increase in miscellaneous contractual services, which is offset by a \$1.6 million reduction in sludge disposal. The rise in miscellaneous contractual services is due to a general cost increase of approximately 5.0%, or \$450,000 in contractual services, approximately \$300,000 for an intended replacement of an influent bar at Cedar Creek, an intended replacement of a final screen at Cedar Creek for \$210,000, a state mandated five year testing and certification of chemical bulk storage tanks for approximately \$820,000 and increased contractual costs for the chemical treatment of the sewer system.
- Utility costs are decreasing by \$1.3 million or, 8.1%, as a result of lower rates for water, light & power and natural gas. These rates were higher in FY 08 rates and were the basis for the FY 09 budget. The FY 10 utilities budget for the Sewer District seems reasonable given that the proposed FY 10 budget of \$14.8 million is 27.6% greater than OLBR's FY 09 projection. However, since energy costs are highly variable, if prices increase more than that which was recorded in 2009, a shortage is possible.
- Debt service charges, principal and interest, are decreasing by a combined total of \$1.4 million.
- Interfund charges, declining about 6.5% budget to budget, consists of \$17.2 million for indirect cost chargeback, \$9.6 million for the capital debt service charges of NIFA issued bonds or General Obligation bonds for past capital projects, and \$700,000 for County Attorney charges. The District reimburses the General Fund for storm water services. As Department of Public Works personnel and OTPS expenses are decreasing in FY 09, the District interfund charges are declining accordingly.
- The operations and maintenance reserve fund must equal to 25% of the District's budgeted operating expenses. It is declining by \$2.1 million in FY 10 compared to FY 09 due to the lower operating expenses.

Revenue	Historical		2009		2010	Exec. vs. Adopted		Exec. vs. Projected	
	2007	2008	Adopted Budget	OLBR Projected	Executive Budget	Variance	Percent	Variance	Percent
Fund Balance	\$120,608,496	\$160,829,304	\$59,495,437	\$134,827,170	\$52,784,573	(\$6,710,864)	-11.3%	(\$82,042,597)	-60.9%
Permits & Licenses	110,165	265,809	241,900	275,000	241,900	0	0.0%	(33,100)	-12.0%
Invest Income	8,029,930	3,024,802	6,073,663	3,000,000	1,294,000	(4,779,663)	-78.7%	(1,706,000)	-56.9%
Rents & Recoveries	1,534,053	3,906,532	829,901	2,600,000	2,007,452	1,177,551	141.9%	(592,548)	-22.8%
Rev Offset To Expense	0	0	138,334	138,334	160,005	21,671	15.7%	21,671	15.7%
Dept Revenues	1,134,496	1,935,452	5,726,212	1,200,000	9,726,212	4,000,000	69.9%	8,526,212	710.5%
Cap Backcharges	390,239	835,707	496,059	496,059	618,680	122,621	24.7%	122,621	24.7%
Debt Svc From Capital	0	0	14,000,000	0	0	(14,000,000)	-100.0%	0	*****
Interfund Charges Rev	72,193	24,109	486	486	0	(486)	-100.0%	(486)	-100.0%
Interfund Transfers	166,239,926	90,148,699	90,346,380	91,358,861	99,869,560	9,523,180	10.5%	8,510,699	9.3%
<b>Total</b>	<b>\$298,119,497</b>	<b>\$260,970,414</b>	<b>\$177,348,372</b>	<b>\$233,895,910</b>	<b>\$166,702,382</b>	<b>(\$10,645,990)</b>	<b>-6.0%</b>	<b>(\$67,193,528)</b>	<b>-28.7%</b>

## Revenue

- FY 10 overall revenue for the District is declining \$10.6 million, or 6.0%, as a result of the utilization of \$6.7 million or 11.3% less of fund balance, a \$4.8 million reduction in investment income and the elimination of \$14 million for debt service from capital which is related to the failed attempt to restructure fee proceeds from the capital fund.
- Offsetting these reductions are increases in rents & recoveries (\$1.7 million), departmental revenues (\$4.0 million) and the interfund transfer from the Sewer Finance Authority (\$9.5 million).
- The historical fund balance amounts shown in the chart represent the accumulated surplus from prior years, at the start of FY 07 and FY 08, respectively. The FY 09 and FY 10 budgets are the amount of fund balance appropriated for each fiscal year. The OLBR projection is the accumulated fund balance at the beginning of FY 09.
- The property tax rate that funds the District, by way of the Finance Authority, will have to be brought up to a level so that the use of fund balance is no longer required. Otherwise, there would have to be a large tax increase to make up for the shrinking fund balance. The MYP shows the fund balance zeroing out after 2013.



**High Volume Usage Charge**

The additional \$4.0 million in departmental revenues is directly related to a high volume usage charge that the Administration had planned to implement in FY 09. This charge would apply to high volume users that the County deems using more water than would be covered in the sewer tax. The charge will be based upon water consumption, the rationale being that the majority of water supplied is returned to the sanitary sewer system. Those entities that use a large volume of water place a larger burden on the system. The County based this budget on a conceptual design from the flow rate of various discharge basins and industry studies, and used the Glen Cove Water Pollution Control Plant as a model. Originally, this charge was listed under miscellaneous receipts but for FY 10 it was decided that the waste disposal line was a more appropriate object code. The County did not implement this initiative in FY 09, and as a result will not collect any of the \$4.0 million that was budgeted. Based on the volume of water consumption for the full year in FY 10, rather than the half year planned for FY 09, the proposed budget assumes approximately \$8.0 million in revenue. The Multi-Year Plan assumes revenue for this initiative to grow to \$11.0 million in FY 11, \$11.2 million in FY 12 and \$11.4 million in FY 13.

<b>Sewer and Storm Water Resource District</b>					
<b>MultiYear Plan</b>					
<b>\$ in Millions</b>					
	<u>2010 Budget</u>	<u>2011 Plan</u>	<u>2012 Plan</u>	<u>2013 Plan</u>	
<b>Expense</b>					
AA	Salaries & Wages	\$19.9	\$20.8	\$22.2	\$23.4
AB	Fringe Benefits	9.5	10.7	11.3	11.8
BB	Equipment	0.3	0.3	0.3	0.3
DD	General Expenses	14.6	14.4	14.1	13.9
DE	Contractual Services	21.9	22.1	22.3	22.5
DF	Utility Costs	14.8	15.7	16.1	16.5
FF	Interest	11.4	10.1	9.2	8.4
GG	Principal	22.0	18.4	16.9	14.6
HH	Interfund Charges	27.4	32.2	35.1	37.3
OO	Other	24.9	25.9	27.1	27.9
<b>Expense Total</b>		<b>166.7</b>	<b>170.6</b>	<b>174.5</b>	<b>176.5</b>
<b>Revenue</b>					
AA	Fund Balance	52.8	51.2	54.7	4.7
BC	Permits & Licenses	0.2	0.2	0.2	0.2
BE	Invest Income	1.3	3.7	3.9	3.9
BF	Rents & Recoveries	2.0	2.1	2.2	2.2
BG	Revenue Offset to Expense	0.2	0.2	0.2	0.2
BH	Dept Revenues	9.7	12.4	12.6	12.8
BI	Cap Backcharges	0.6	0.6	0.7	0.7
IF	Interfund Transfer	99.9	100.1	100.0	100.2
<b>Revenue Total</b>		<b>\$166.7</b>	<b>\$170.6</b>	<b>\$174.5</b>	<b>\$125.0</b>
<b>Gap</b>		<b>0.0</b>	<b>(0.0)</b>	<b>0.0</b>	<b>(51.6)</b>
<b>Gap Closings Measures</b>					
	Transfer of Unused O&M Reserve to FB	24.9	25.9	27.1	27.9
	Property Tax Increase	0.0	0.0	8.9	13.5
	Grant Recoveries	10.0	10.0	0.0	0.0
	Debt Restructuring	15.0	13.0	10.0	5.0
	Operational Efficiencies	1.5	1.5	1.5	1.5
<b>Total</b>		<b>\$51.4</b>	<b>\$50.4</b>	<b>\$47.4</b>	<b>\$48.0</b>

- The table opposite indicates the Administration's baseline for the MYP for the Authority will be increasing in expenditures and revenues until FY 13 when there's a \$50.0 million drop in fund balance.
- Although the Sewer Finance Authority MYP does not show any property tax increases in the out-years, one of the gap closers for the Resource District is additional property tax of \$8.9 million in 2012 and \$13.5 million in 2013.
  - This is in keeping with the aim of reducing the budgetary reliance on fund balance while bringing the tax rate to a sustainable level.
- Combined OTPS costs, less utilities and interfund charges, are remaining basically flat through 2013.
- Revenues are increasing throughout the plan and include growth in departmental revenues, investment income and interfund transfers.

